FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 1991

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

DAVID R. OBEY, Wisconsin, *Chairman*

SIDNEY R. YATES, Illinois
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
CHARLES WILSON, Texas
WILLIAM H. GRAY III, Pennsylvania
ROBERT J. MRAZEK, New York
RONALD D. COLEMAN, Texas

MICKEY EDWARDS, Oklahoma
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
DEAN A. GALLO, New Jersey

TERRY R. PEEL, WILLIAM E. SCHUERCH, MARK M. MURRAY, *Staff Assistants*, and LORI MAES, *Administrative Aide*

PART 5

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
29-899 O WASHINGTON : 1990

H181-86

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
LINDSAY THOMAS, Georgia
CHESTER G. ATKINS, Massachusetts
JIM CHAPMAN, Texas

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
VIRGINIA SMITH, Nebraska
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California
VIN WEBER, Minnesota
TOM DeLAY, Texas
JIM KOLBE, Arizona
DEAN A. GALLO, New Jersey

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 1991

WEDNESDAY, APRIL 4, 1990.

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

CHAIRMAN'S OPENING STATEMENT

Mr. OBEY. Good morning. Today we begin our final hearing on the Administration's foreign aid request for fiscal year 1991.

We have 44 witnesses who will be testifying today. We will have a five-minute rule. I will enforce this for everyone except the first witness, because I am exercising the prerogative of the Chair and UNICEF happens to be my favorite program. After dealing with all the wondrous aspects of the Congress yesterday on the supplemental, I think I am entitled to use a prerogative.

Let me welcome as our first witness this morning Liv Ullmann, a Goodwill Ambassador for UNICEF, who has done some marvelous work on behalf of the world's children.

Please proceed.

UNICEF

WITNESS

LIV ULLMANN, GOODWILL AMBASSADOR

MS. ULLMANN'S STATEMENT

Ms. ULLMANN. Thank you, Mr. Chairman.

I want to thank you for what you just said. It is a great boost for UNICEF, and I want to thank you for what you have meant to UNICEF in increasing our funds all the time while you have been the chairman.

It is so important to know that all over the world there are UNICEF programs in place and what we need are funds. With the right funds, so much more could be done. I hope, especially since I have met you, that maybe one day we could travel together and see some of these programs because they are inspirational and they are important and they are life-changing.

I saw not long ago in an African country an example that describes the need. There was a little boy, a baby, who was being weighed. They told me he was four years old. I thought he was a baby because he was so small. He couldn't stand on his legs because he was so weak and they were lying him there on the scale.

He was crying, and it wasn't really a strong cry. It was like rasping sounds—the kind of sounds that no little child should have.

Obviously this little one was going to slip out of history nameless to me and nameless to all of us. It is little ones like this that hopefully in September world leaders will meet and discuss at the world summit for children that is being organized. Hopefully we will get the presidents and the prime ministers from all over the world for two days to really focus on the weakest of our society—the ones who most need the help and the ones who are always at the end because they are not voters and they are the poorest.

Hopefully not only the world leaders will met, but also for once the media attention will really be on the children and not only the needs will be addressed but also the solutions—the miraculous solutions.

UNICEF has proven, with their advocacy, what changes can be made. In the ten years I have worked for UNICEF I have seen a great deal of change. Ten years ago when I first heard about the program, less than 20 percent of the world's children were reached by the immunization program; this year we can say that almost 80 percent of the children of the world are reached by immunization. This means that advocacy helps, which means that funding helps, which means an enormous difference for the lives of these children.

Hopefully this children's summit will educate our community about such miracles. They are miracles. It is like walking on the moon. But, of course, because it only concerns the littlest and the weakest the world media doesn't brag about it. I think it is as important as broccoli eating and as important as whales being saved—although that is important.

If I only knew a way to show the faces of these children like we saw the whales a year ago and really got so concerned, if there was a way to show these little, wrinkly behinds walking away without parents and without a future and without us. If we don't know about them we can't help them. There should be a new way of thinking, and I think that must be the only solution. The children need to be in the focus.

A month ago I came from Hong Kong from refugee camps there. These refugees are no more refugees, they are prisoners in detention centers. Again, because of lack of ethics they are now described not as human beings but in the newspapers as thugs and human vermin. When you know that 80 percent of them are children and women, and when you see them and you know that these people are now presented to the world as thugs and human vermin you can't help think, for example, of what Hitler did so well. For his soldiers he really described Poles and gypsies and Jews as similar specimens so it wouldn't feel so bad to kill them.

I think this is something that is leaking into our whole society. We describe people who live on the streets as beggars and scum and bag ladies. It is somehow distant from us.

I believe, again, a summit may give us a new way of thinking—new language.

That brings me up to my last travel for UNICEF. I just returned two days ago from Nepal. We visited the house of one little boy—very, very poor—in the little village of Nepal. We were on the top floor. It is so dirty and the families and the animals and everybody is doing everything all over the floor. But there was, again, in this little house a miracle because a child was reached by AID. One and a half years ago he had been given up. He was severely affected by polio. He couldn't move. He was just lying there, and his parents thought this was a punishment from God. They had never heard about immunization.

And then he was reached by a rehabilitation program that UNICEF had there. They took the parents and the child to the hospital. The parents got educated in how to do gymnastics with the child, massage for the child. They described why the child was in this condition. The other children in the family were immunized for polio. Today that is an incredible, fantastic thing.

While we were there just four days ago in this little room watching the father, who had given up on his child one and a half years ago, now massaging with really loving, caring hands, and the child lying there and the father taking his legs up in the air and doing all these things. Each time the child went up and down and up and down with his back. We applauded. We saw the smile of the child.

After having gone through the routine that he now had to do each morning—and we went prepared because we saw his legs. They were bad looking. He was very severely affected by polio. Suddenly, after all this routine that the parents had learned, this little guy got up and took a few steps over the floor. It is just one child, but it is an enormous difference—maybe bringing the attention not only to these parents, but to a lot of parents, that the child may not be given up for dead but there is something called vaccine.

I tell this story because it is important, because at the same time and the same day in Nepal I met the queen of Nepal, who is very powerful, because she is, in fact, the government. She raised concern about giving immunization to children because she said that there are too many children already in her country. Maybe a Convention on the Rights of the Child will make it impossible for a queen or a prime minister in any country to have such concern that the child does not have the right of the immunization.

I want to thank you for allowing me to come here. I want to again stress the importance of the Convention on the Rights of the Child. I know that it can just be another thing creating dust in a drawer. A Senator said yesterday here that maybe this convention was just another document and what could we do with it. I have to ask the question: if the Convention on the Rights of the Child becomes just another document, who made it just another document?

Please use all your influence and have it ratified by the United States.

Thank you very much for what you have done for us.

Mr. OBEY. Thank you very much for what you have done, too. The only thing I would say in response is that, as you know, the Administration has requested a cut in this program for this year. Instead, they requested an increase in military aid this year, in spite of everything that has happened around the world.

I think I can safely say that on neither side of the political aisle will you find any support in this committee for the Administration's reductions.

I share your hope the world conference that you speak of does not simply become a device by which politicians can pose for political holy pictures on an issue without doing something that is real.

Thank you very much for your work.

Ms. **Ullmann**. Thank you.

Wednesday, April 4, 1990.

NATIONAL ASSOCIATION OF ARAB AMERICANS

WITNESS

KHALIL JAHSHAN, ASSOCIATE EXECUTIVE DIRECTOR

Mr. **Obey**. Khalil Jahshan, Associate Executive Director of National Association of Arab Americans, will be next.

Good morning.

Mr. **Jahshan**. That is a tough act to follow, Mr. Chairman——

Mr. **Obey**. Yes, it is.

Mr. **Jahshan** [continuing]. From the beautiful and articulate Liv Ullmann.

I am trusted here with the task of shifting to beautiful Middle East policy.

On behalf of the National Association of Arab Americans I am very pleased to testify before this distinguished subcommittee and to present the views of the Arab American community on the Middle East portion of the Administration's fiscal year 1991 foreign aid request.

Our specific recommendation, Mr. Chairman, concerning the Bush Administration request for our friends and allies in the Middle East—including Israel, Egypt, Jordan, and what have you—are detailed in our written testimony submitted to this subcommittee for the record.

Due to the limited time allocated for this oral testimony I would like to focus my brief remarks on four basic, general concerns that are shared by our community.

By way of introduction let me state that if there were a moment when a fundamental reassessment or rethinking of our foreign assistance package was in order, this is it, Mr. Chairman.

The unanticipated yet dramatic global changes occurring throughout the world leading to the collapse of several totalitarian regimes have created new challenges for the United States. These new demands clearly require a more rational and flexible process of allocation of our foreign aid resources to further our national interests.

The prevailing assumptions underlying our AID program are quickly becoming literally obsolete and immaterial to the post-cold war era, the era of global promotion and consolidation of democracy, as Secretary Baker called it this week.

With the Berlin Wall and other walls and curtains crumbling, the cold war mentality has also begun to collapse. The old thinking has become irrelevant. A whole new way of thinking is needed.

Our foreign policy, including our foreign aid program, begs for reassessment and restructuring, Mr. Chairman. American foreign assistance in the 1990s cannot be allocated or justified on the basis of antiquated reasoning developed over the last 10, 20, 30, or 40 years.

The four basic concerns that my community shares and would like to bring to your attention this morning are:

One, accountability. Frankly, we continue to be shocked at the monumental irrationality of the fact that under current practices the biggest recipient of our foreign aid tax dollars—namely, the State of Israel—remains exempt from any serious scrutiny. Israel is the only recipient which is not subject to AID or GAO oversight. As a matter of fact, the minuscule aid that we send to the West Bank and Gaza receives more scrutiny than the massive aid that we send to the State of Israel.

Although quite unpopular with the American public at large, foreign aid is a vital tool of foreign policy aimed at advancing our national interests throughout the world. It is not an entitlement program and it should not be treated as such—not for Israel, not for Egypt, not for Jordan, not for Lebanon—not for any recipient.

Unfortunately, too many Members of this House tend to treat it as such in their attempt to serve the interest groups within and without their constituency.

A case in point is the decision made yesterday to give Israel $400 million in guaranteed housing loans without adequate debate to explore the economic, political, and demographic implications of Soviet Jewish settlements in Israel and the occupied territories. This constitutes gross negligence in our humble judgment, particularly in light of the potentially devastating impact this could have on our own peace process in the area.

I have discussed this matter, Mr. Chairman, with several members of your committee and your staff, and I am aware, on a first-hand basis, of your personal commitment to the peace process. It is our hope that this subcommittee would give this matter and such issues the serious attention they deserve.

The second point is human rights. Once more, Mr. Chairman, we would like to appeal to all Members of Congress through this subcommittee for a stricter adherence to U.S. laws passed by this House pertaining to human rights practices.

Of specific concern to us is the Foreign Assistance Act of 1961 and its applicability to the situation in the West Bank and Gaza. Although we are calling for a universal application of this important principle, we must specify that Israel must be held responsible for its democratic claim.

Third, there are the current disparities or inequities in the program which we feel must be reduced. I refer here to page three in my written testimony, the per capita table. If you look at Israel's column in terms of U.S. aid for fiscal year 1991 per capita, every Israeli is expected to receive in excess of $680, as compared to Egypt's $43 per capita, Jordan's $29, Lebanon's $4, and so on. As a matter of fact, Israel receives more U.S. aid per capita at $686 than the per capita GNP of the rest of most of our recipients in the Middle East, including Egypt, Morocco, Somalia, Mauritania, Yemen, and so on.

Fourth is long-term planning. As these global challenges that I mentioned earlier multiply and demand for our limited resources—

and our resources are limited—long-term planning becomes necessary to serve our interest effectively.

As Senator Mitchell stated yesterday, we cannot continue to approach foreign aid on a country-by-country basis and in one-shot increments.

We hope that this subcommittee would urge and work with the Administration to develop a meaningful, long-term plan which would effectively advance our national interests while remaining sensitive to the legitimate needs of our friends. Such long-term planning would require answering many questions, but we would like to suggest a couple.

Is our foreign aid program in its current format and its present level delivering the optimum economic and political results which we all desire?

Is there room to improve our return by examining and restructuring the impact of our aid on the local economy of the recipient nation?

Are we, indeed, doing our allies and friends—including Israel, Egypt, and so on—a favor prolonging the status quo, i.e., the present levels and types of aid?

Mr. Chairman, it is time to generate a comprehensive and open debate on these issues without the usual exceptions dictated by political consideration.

Thank you.

[The prepared statement of Mr. Jahshan follows:]

NAAA
National Association of Arab Americans

PREPARED STATEMENT OF KHALIL JAHSHAN, ASSOCIATE EXECUTIVE DIRECTOR FOR PUBLIC AFFAIRS OF THE NATIONAL ASSOCIATION OF ARAB AMERICANS, BEFORE THE HOUSE APPROPRIATIONS FOREIGN OPERATIONS SUBCOMMITTEE

April 4, 1990

The National Association of Arab Americans (NAAA) is pleased to present testimony on the Middle East portion of the Administration's Fiscal Year 1991 foreign aid request. As the principal political organization representing both Americans of Arab descent and a growing number of non-Arab Americans who share our viewpoint, NAAA strives to promote close and cordial relations wherever possible between the United States and the Arab countries of the Middle East. We seek also to help ensure that American foreign aid tax dollars are spent in the most effective and productive way possible.

Foreign assistance is an important policy tool which, if used wisely, can promote and protect U.S. national interests abroad. Disbursed in a fair and equitable manner, U.S. aid is an indispensable and worthy mechanism that can assist friendly countries around the world in strengthening their economies and meeting their legitimate defense needs.

We believe, however, that U.S. foreign assistance is not being distributed prudently. A serious reexamination of the way in which the United States allocates its foreign aid dollars has been sorely needed for many years. Unfortunately, the bulk of U.S. foreign aid is given, year after year, to a small number of beneficiaries. We contend that a more equitable distribution of U.S. aid to a wide range of deserving nations would be much more successful in promoting U.S. interests worldwide. An optimal disbursal of aid dollars, moreover, would increase the proportion of economic aid in the total assistance package and decrease the emphasis on military hardware.

Perhaps at no time in recent memory has there been a greater need for a reevaluation of our foreign assistance obligations than in 1990. Momentous developments in Eastern Europe and Latin America have given rise to irresistible movements for freedom and democracy in areas which for years had suffered under intolerable tyranny. At the same time, however, these hopeful developments have placed compelling aid demands upon the United States at a time when huge deficits have forced

2033 M Street, N.W. Suite 300, Washington D.C. 20036-3399 202/467-4800 TELEX 904161 NAAA WSH

sizeable budget reductions and heavily burdened the American taxpayer. The Bush Administration and the Congress must rise above political considerations to meet this challenge effectively. Either the foreign aid budget must be increased to accommodate these legitimate assistance demands, or the burden of reallocation must be shared by all.

One of the key components of reform of the foreign aid process would be to restrict the widespread practice in Congress of earmarking the vast majority of aid dollars for certain favored countries without regard to the effect such allocations have on U.S. commitments elsewhere. While earmarking is theoretically used by Congress in the budget process as a necessary and desirable check upon the Executive Branch, its principal use with regard to foreign aid has not been so lofty. Foreign aid earmarking has been used all too often, not to ensure that all recipients receive their fair share of desperately-needed assistance dollars, but rather to protect certain nations from sharing in the burdens associated with a shrinking foreign aid budget.

As a result of this political practice, which we believe to be irresponsible, many necessary but unprotected assistance programs worldwide have been reduced or terminated as aggregate funding levels for U.S. foreign aid have declined. We believe that this practice has hurt U.S. interests in the Middle East and elsewhere. No country, without exception, should be immune from facing reductions in its foreign aid levels, and we urge this Subcommittee, in its deliberations on the FY 1991 foreign aid budget, to recommend a fair and equitable allocation of aid to all aid recipients in the Middle East.

The President's FY 1991 Foreign Aid Requests

As in past years, the requests for foreign assistance submitted by the Administration represent the culmination of a long process during which the pressing economic and military needs of prospective recipient countries are filtered through the domestic political realities and budgetary constraints facing the United States. This process results in the paring of programs for some countries to the bone even before they are presented to the Congress, while requests for other countries known to be favored by Congress remain bloated.

Our specific recommendations concerning the Bush Administration's FY 1991 foreign aid requests for Lebanon, the West Bank and Gaza, Jordan, Morocco, Tunisia, Oman, Yemen, Egypt, Sudan, and Israel are given below. In addition, and for the record, NAAA supports the Administration's aid request for Algeria, Djibouti, Mauritania, and Somalia.

It is instructive to note at the outset the wide disparity in U.S. aid per capita for the various countries of the Middle East and North Africa under the Administration's FY 1991 foreign assistance requests. As usual, Israel, with the highest per capita GNP of all, also receives the highest per capita amount in U.S. foreign assistance -- $696 for every Israeli, compared with $43 per Egyptian, $29 per Jordanian, and $4 for every Lebanese, Mauritanian, and Moroccan. From the chart below, it can be seen that **Israel receives more U.S. aid per capita** ($686) **than the per capita GNP of Egypt** ($670), **Mauritania** ($440), **Morocco** ($620), **Somalia** ($280), **Sudan** ($330), and **the Yemen Arab Republic** ($590). We urge this Subcommittee to consider carefully whether such an imbalance can be justified.

Table 1

TOTAL AND PER CAPITA AID FOR MIDDLE EASTERN AND NORTH AFRICAN COUNTRIES

NATION	POPULATION (in thousands)	PER CAPITA GNP (dollars)	US AID FY 1991 TOTAL (millions)	US AID FY 1991 PER CAPITA (dollars)
EGYPT	52,805	670	2,267	43
ISRAEL	4,371	6,810	3,000	686
JORDAN	2,955	1,560	87.1	29
LEBANON	3,301	N/A	12.025	4
MAURITANIA	1,876	440	7.406	4
MOROCCO	25,101	620	107.363	4
OMAN	1,412	5,830	15.1	11
SOMALIA	5,900	280	8.9	2
SUDAN	24,347	330	23.839	1
TUNISIA	7,935	1,210	59.552	8
WEST BANK / GAZA	1,650	1,000	13.977	8
YEMEN (North)	8,106	590	33.388	4

Source: A.I.D. Congressional Presentation Document, FY 1991, volumes I and II; also the Department of State Congressional Presentation for Security Assistance Programs, FY 1991.

Aid to Lebanon

We are hopeful that 1990 will bring a rapid improvement of political conditions in Lebanon and that the Lebanese people will rally to form an effective and stable government as quickly as possible. We support multinational efforts, such as the Arab League initiative, to facilitate constitutional reforms, the establishment of a strong and stable government that secures and protects the basic rights and liberties of every Lebanese citizen, and the withdrawal of all foreign forces from Lebanese soil. Work toward a solution to the problems of Lebanon must proceed despite the existence of other conflicts in the region.

While this agonizing process is taking place, it is essential that the United States visibly demonstrate its deep concern for Lebanon through the delivery of humanitarian aid on a scale sufficient to leave no doubt as to American intentions. While we recognize the difficulties associated with extending aid to Lebanon under present conditions there, we believe that the $1 million total of economic and military assistance to Lebanon that the Administration has requested for FY 1991 cannot meet our obligations to the Lebanese people. Although the $10.625 million in PL-480 assistance is providing significant relief to a suffering population, a substantially greater commitment is needed.

We therefore urge this Subcommittee to support ESF funding to Lebanon of not less than $7.5 million for FY 1991, as Congress appropriated last year. This minimal level of funding would demonstrate a U.S. commitment to Lebanon and the Lebanese people, and could easily be absorbed by that country.

Finally, we regret that the Administration's request for ASHA funds would cut funding levels from an estimated $37.85 million in FY 1990 to only $23 million in FY 1991. We urge that ASHA funds for deserving institutions in the Arab world, including the American University of Beirut not be reduced. U.S. aid to AUB, for example, has for many years been one of the best long-term investments in U.S.-Arab relations and a tangible signal to the commitment of the United States to academic excellence and freedom. The American University of Beirut has for generations been a beacon of western thought and education in the Arab world, and its alumni include many of the most prominent Arab leaders and intellectuals. We commend the U.S. government for continuing to provide AUB with aid throughout Lebanon's great ordeal, and we urge this Subcommittee to ensure that this vital assistance be continued.

Aid to the West Bank and Gaza

This year the Administration is requesting approximately $14 million in aid for the occupied West Bank and Gaza -- down $1.3 million from the estimated $15.3 million for FY 1990. We believe this request is insufficient to maintain the quality of aid to the region that is needed, particularly in light of the severe economic strains that are still being felt as a result of the Israeli crackdown on resistance to its military occupation.

Private economic development has been a major casualty of the military occupation. Palestinians have been denied permission to dig new irrigation wells, discouraged in their attempts to form cooperatives, limited in their planting of trees and vegetables, constrained from selling their produce in Israel, and turned down -- or made to wait indefinitely -- when applying for licenses to start up a business project or construct a building.

The U.S. aid program to the West Bank and Gaza has assumed even greater importance since King Hussein announced the cancellation in 1988 of the Jordan West Bank/Gaza Development Program. The 1.65 million Palestinians living in the occupied territories are in great need of assistance. U.S. aid will continue to develop human resources, foster economic growth, expand employment, and improve health and welfare services, but only if aid levels are sufficient to enable the programs to endure.

Despite the importance of the A.I.D. West Bank and Gaza program to both American foreign policy and the Palestinian people themselves, there is no permanent A.I.D. representative on the scene to supervise or audit the program. NAAA considers that the value of this program to U.S. interests and to the Palestinians justifies the permanent presence of such a representative for professional oversight of U.S. assistance.

ESF monies are proposed to fund projects that will cultivate human resources, improve health, water and sanitation, construct schools and roads, and develop agricultural credit and private sector activities. Given the desperate situation in the Occupied Territories, we believe that the Administration's request is the absolute minimum necessary to promote and preserve U.S. interests there. We urge this Committee to authorize no less than the $11.8 million requested, but recommend that the figure be increased to $15 million.

Even under the current unsettled conditions on the West Bank and Gaza, the grassroots projects successfully established by the American PVOs are still operational and must be encouraged. For many Palestinians, rightly or wrongly, the American-manufactured military equipment, tear gas, and munitions of the Israeli Army are the most tangible expressions of America's intentions in the occupied territories. As a counterweight to this, the small aid program for the West Bank and Gaza conveys a message of hope and peace to the Palestinians which should not be underestimated.

The small aid program funding economic and social development in the West Bank and Gaza has had perhaps the highest impact of any American aid program anywhere in the world. It is designed to stimulate private sector activity to support institutions which can serve to channel funds to private borrowers for productive uses in agriculture and industry. The Administration's focus on aid to the occupied territories as a means to provide the essential tools for economic development of the local population is an integral part of the peace process.

Aid to Jordan

Jordan is an indispensable element in the search for peace in the Middle East. The kingdom continues to be a force for moderation and stability in the region, and its recent democratic reforms, including parliamentary elections last November, were a significant evolutionary step in its political system. Jordan's ability to continue as a central actor in the peace process depends upon the willingness of the United States to help it in meeting its legitimate and very pressing economic and military needs.

We strongly support the Administration's request of $35 million in ESF funds for Jordan for FY 1991. Worker remittances and financial grants from friendly Arab countries in the Gulf have declined substantially in the past few years. At the same time, economic growth has slowed and the value of Jordan's dinar has fallen precipitously. In order to combat its economic difficulties, Jordan negotiated an arrangement with the International Monetary Fund and has made what A.I.D. calls "impressive progress at comprehensive economic policy reform." We believe that authorization and appropriation of the entire request for ESF aid for Jordan is critical if it is to continue with economic reforms that are underway.

We also support the $50 million in FMS assistance that has been requested for Jordan in FY 1991. This assistance will permit Jordan to service U.S.-made equipment presently in its inventory, upgrade other essential items, and finance small quantities of urgently needed military items. We note with regret that U.S. military assistance levels remain at a point where Jordan continues to have a negative cash flow of some $3 million in servicing its FMS debt burden and believe that it is crucial that the President's present request be authorized in full.

Aid to Morocco

NAAA supports the Administration's FY 1991 request of $107.36 million for Morocco. We note with regret, however, that ESF will be reduced by almost $8 million. This reduction is unfortunate. The Moroccan economy has suffered under severe strains in recent years. It has an external debt burden which is 118 percent of its annual gross national product, and it has had to struggle over the years with the problems of severe drought, a locust plague and low demand for phosphates, its principal export. With a population of over 25 million and a per capita GNP of only $620, Morocco needs and can effectively utilize the $24.5 million in ESF and Developmental Assistance and $38.45 million in PL 480 assistance that the Administration has proposed.

At the same time, Morocco has shown itself determined and able to implement a program of fiscal austerity and economic adjustment under the assistance of the World Bank and the International Monetary Fund, and it has succeeded in becoming one of the most successful countries in the world in carrying out an economic stabilization program. As a result of economic liberalization, including reduction of tariffs and subsidies, currency devaluation, and removal of price controls, Morocco has significantly improved its economic position. Adequate U.S. aid is vital if Morocco is to sustain its achievements.

U.S.-Moroccan friendship has been unbroken for more than 200 years, and both countries benefit from their close bilateral ties. Morocco permits visits of U.S. Navy ships at its ports, grants U.S. temporary access to its military bases, and provides an emergency landing site for the U.S. space shuttle. It is also the site of an important Voice of America transmitter. Morocco has played an active and positive role in the search for peace in the Middle East and has actively sought to help end the conflict in Lebanon.

Aid to Tunisia

We support the Administration's FY 1991 request of $59.5 million for Tunisia, and urge this Subcommittee and the Congress to appropriate the full amount. We believe, however, that the $25.9 million in ESF and PL 480 aid is the minimum amount necessary to meet Tunisia's very pressing economic needs.

Tunisia has been a close friend of the United States since it gained independence in 1956. During the American hostage crisis in Iran, it cast the deciding vote in the U.N. Security Council for sanctions against Iran. In the Arab League, Tunisia has consistently been a force of moderation.

Since President Zine El-Abidine Ben Ali assumed office in November 1987, in accordance with Tunisia's constitution, the Tunisian leadership has continued to follow the moderate pro-West policies that have been a hallmark of Tunisian-American ties. Under its current leadership, Tunisia has undergone considerable economic and political liberalization and has moved towards a more market-oriented economy. It has, in fact, met or exceeded targets of a stringent structural adjustment program set up in conjunction with the International Monetary Fund.

The promising economic and political developments, which are a tribute to the pride and determination of the Tunisian people, make the continuation of adequate amounts of U.S. aid even more vital. Implementation of the ambitious economic and political reforms that have been undertaken will be facilitated by such aid.

Aid to Oman

The Administration's request of $15 million in ESF aid for Oman in FY 1991 is somewhat higher than the estimated $12.55 million Oman will receive in FY 1990. We urge this Subcommittee to sustain this year's request for Oman, including the proposed $100,000 in IMET aid.

There are sound economic reasons for appropriating the level of aid to Oman. While the general decline in world oil prices has reduced Oman's chief source of revenue, there remains a pressing need to develop adequate human resources and diversify the oil-based economy of the country. According to economic projections, Oman's oil resources are expected to last only another thirty years or so.

The United States and Oman have enjoyed a warm friendship and close ties for many years. Commanding the southern side of the strategic Strait of Hormuz, a strong and stable Oman is critical to U.S. national interests. Gulf oil exported by sea through the Strait of Hormuz goes through shipping channels inside Omani territorial waters. The Sultanate is actively modernizing its military forces in order to contribute to regional defense as a member of the Gulf Cooperation Council.

Oman has also granted the United States limited peacetime and extensive emergency access to its military facilities, enabling the United States to meet threats to its vital interests and those of its Arab friends in the Gulf. At the same time, with the signing of the 1980 Access Agreement, which will be under review in 1990, the United States pledged to try to provide significant levels of ESF aid to Oman. We believe that the package under consideration for FY 1991 is an important step towards meeting the U.S. pledge.

Aid to the Yemen Arab Republic

We support the $33.388 million security assistance package for the Yemen Arab Republic (North Yemen). With a rapidly growing population of more than 8 million, a per capita GNP of only $590, and a low literacy rate, the YAR genuinely needs and depends upon the small amounts of aid that the United States and other countries provide. Worker remittances from abroad and the modest amounts of oil that Yemen currently exports are not nearly enough to sustain a desirable level of economic growth.

North Yemen commands a strategic location guarding the southern entrance to the Red Sea and bordering Saudi Arabia and the People's Democratic Republic of Yemen. A strong and economically sound Yemen Arab Republic will help to promote stability and peace in the region.

Although a very small FMS package will enable the YAR to maintain U.S.-origin equipment and support training programs for its armed services, the bulk of U.S. assistance will be in the form of economic aid, including $20.5 million of Development Assistance and $10 million in PL 480 assistance. We urge that this level of assistance be approved.

Aid to Egypt

The United States and Egypt have developed a close and committed relationship over the past two decades, and Egypt has been working consistently to promote the Middle East peace process and Palestinian-Israeli dialogue. The readiness of Egyptian officials to take risks for peace, even in the face of considerable economic difficulties at home, attests to their dedication. As diplomatic relations between Egypt and other Arab countries have been reestablished and improved, Egypt has reassumed a unique and valuable role in the peace process. Egyptian leaders, for example, played a crucial role in bringing about the establishment of a dialogue between the United States and the PLO and they continue to play an important role in bridging the gulf between Israelis and Palestinians.

The total of $2.26 billion in military and economic assistance that has been requested for Egypt, a sum which includes $1.3 billion in FMS, $815 million in ESF, and $150 million in PL 480 assistance, is slightly less than last year's request, but still represents a generous commitment to Egyptian economic stability. While we recognize that such levels of aid, both in absolute and relative terms, are considerable, we support the President's request and recommend its approval by Congress. We nevertheless reiterate that no country should be immune from bearing its fair share of any burdens associated with unavoidable foreign aid budget cuts.

Egypt needs the aid that has been requested. Its 52.8 million people have a per capita GNP of only $670. Egypt is facing onerous economic difficulties, some of which are largely beyond its control. A decline in Egypt's oil revenues, remittances from abroad, and other problems have caused substantial burdens on Egypt's troubled economy.

The close bilateral relationship between Egypt and the United States has been enhanced by the extensive economic and security ties that have developed between the two countries over the past decade. The benefits accruing from this relationship flow both ways. For example, coproduction of the M1A1 tank is an important component in the U.S.-Egyptian security relationship. While coproduction will promote Egyptian military self-sufficiency, it will also sustain thousands of jobs for American workers.

It should be noted that Egypt must spend almost its entire requested ESF allotment in FY 1991 on repayments to the United States on its past debt alone. Even if ESF aid levels from the United States to Egypt remain constant over the next five years, Egypt's FMS debt repayments would actually exceed its ESF aid over the period -- a situation which we consider to be counterproductive. Without such assistance, however, the strains placed on the Egyptian economy by debt servicing requirements would be unbearable.

U.S. assistance to Egypt plays a pivotal role in the ability of Egypt to institute much-needed but unpopular economic reforms. There is no doubt that further significant reforms are both necessary and desirable in the long run, though the burdens of such reforms on the large and growing Egyptian populace will be substantial and must be allocated equitably.

Aid to Sudan

We support the Administration's FY 1991 request for nearly $23 million in food aid to the people of Sudan as an important humanitarian gesture. With a population of 24 million, a per capita GNP of only $330 and an infant and child mortality rate among the highest in the world, Sudan is one of the least developed countries in the Arab world. In recent years it has been plagued by the dislocations and carnage of a recurring civil war, which has been a constant drain on its human and economic resources. We urge this Subcommittee to approve the Administration's humanitarian and food aid request in its entirety. Humanitarian support should be provided regardless of differences between the United States and the current Sudanese government.

Given the widespread suffering that is being experienced in the Sudan, we urge the United States also to move boldly in support of international efforts to bring an end to that war. We are particularly concerned that humanitarian efforts be energetically supported through proven relief programs that are already in place. This would include private voluntary organizations, international organizations, and various A.I.D.-administered accounts such as the U.S. Emergency Refugee and Migration Assistance Fund and the Migration and Refugee Assistance account.

Aid to Israel

The enormous FY 1991 request for Israel represents, yet again, the largest single aid package in the foreign aid budget. With a per capita GNP of $6,810 (more than ten times the per capita GNP or Egypt, Morocco, Yemen, or Sudan), and a population of only 4.37 million, it is difficult to make a strong case in support of $1.2 billion in economic aid for Israel.

Whatever the reasons for granting such a large percentage of the total foreign aid budget to one rather wealthy country, it is the manner in which that aid is given that ought to be given careful consideration by Congress, and particularly by this Subcommittee. Unlike every other country, Israel is given its aid on an unconditional basis. This complete and utter lack of accountability has permitted Israel to carry out its economic, political, and military policies without the need for any concern for or consideration of U.S. security interests in the Middle East. In other words, the $3 billion foreign assistance check which is given to Israel at the beginning of each fiscal year amounts to a blank check on Israeli policy towards its neighbors.

We question why U.S. officials of the Agency for International Development review the economic assistance programs of every other recipient of U.S. economic aid, while there is no U.S. government scrutiny whatsoever of the $3 billion in aid given to Israel annually. Even the miniscule economic program for the West Bank and Gaza is inspected by visiting A.I.D. officials from time to time. We believe that A.I.D. should have the same inspection rights in Israel to monitor what actually happens to U.S. economic assistance as it does elsewhere in the world.

There should also be an unmistakable and unavoidable linkage of U.S. foreign assistance to Israel with respect to Israeli human rights policies. Section 116 of the Foreign Assistance Act of 1961, which was approved by Congress, specifically proscribed U.S. assistance to countries which engage in "a consistent pattern of gross violations of internationally recognized human rights." Yet both the State Department's 1988 and 1989 *Country Reports on Human Rights Practices* have documented a widespread pattern of gross Israeli human rights violations in the Occupied Territories. Israel should be held accountable for these violations.

A similar situation pertains to Israeli efforts to settle Soviet Jewish refugees or other Israeli citizens in the occupied territories of the West Bank (including East Jerusalem) and Gaza. We do not oppose the willing migration of Soviet Jews out of the Soviet Union. But any direct or indirect assistance provided by the United States Government to help Israel colonize the occupied territories is contrary to stated U.S. policy and is an obstacle to peace and stability in the Middle East. The United States should exert political pressure to the fullest extent possible to persuade Israel to abandon its settlement activities in the Occupied Territories. Failure to comply should result in tangible and unmistakable penalties to Israel, including the reassessment of its foreign aid allocation, as prescribed by U.S. law.

Conclusion

We believe that the closest possible relationships between the United States and the countries of the Arab world are an essential component for promoting U.S. national security interests in the Middle East. These relationships, built on mutual trust and respect, will benefit all parties concerned.

U.S. foreign aid to the Arab World, in particular, is a wise and prudent investment in the stability of the region that strengthens already solid friendships and underscores the U.S. commitment to its Arab allies. We urge this Subcommittee to review the Administration's foreign assistance requests for the Arab countries with sensitivity and concern for their compelling individual needs.

We also ask that this Subcommittee require Israel to be held to the same standards of accountability that are applied to all other countries. We believe that the practice of giving more per capita aid to Israel than the entire per capita gross national product of at least six Middle Eastern and North African countries and many other countries elsewhere in the world should come under intense scrutiny. This is particularly urgent now that increased aid requests are being placed upon the United States worldwide at a time when deficits have forced budget reductions and burdened the American taxpayer.

Mr. OBEY. Thank you.

I have just one question. I will have the opposite end of the question for witnesses on behalf of aid for Israel. My question to you is given the actual, right-down-the-middle split of the body politic in Israel, and the immobilization which that has produced with respect to the peace process, when are we going to have a unified demonstration from all of the parties in the Arab world of the understanding that it will be impossible to move Israeli opinion without concrete across-the-board assurances with respect to Israel's security and permanency?

Mr. JAHSHAN. Well, if I were running the Arab world the answer would be tomorrow, but, unfortunately, I do not. Let me answer your question by saying one way that this idea would be enhanced or this goal could be achieved is to have some positive response on the Israeli side. Today the mood in the Arab—according to our Arab friends, and particularly Palestinian friends—is that they feel that their gestures toward Israel remain unreciprocated. They talk about the gesture made in November and December of 1988 with the PLO recognizing Israel and renouncing terrorism and so on and accepting to sit with Israel on the basis of 242 and 338. They feel that these gestures have not been reciprocated at all, and any form of reciprocity on the part of Israel—as a matter of fact, even on the part of the United States—would help the Arab parties formulate a position like you are suggesting.

Mr. OBEY. I would simply note it took a unilateral action on Mr. Gorbachev's part to get the U.S. off the dime in terms of arms control. Some people may differ with that statement, but that is my view. Now is a particularly propitious time for a gesture like that to come from the Arab world.

In any case, thank you for your testimony.

Mr. JAHSHAN. Thank you. I appreciate it.

WEDNESDAY, APRIL 4, 1990.

AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE

WITNESS

TOM DINE, EXECUTIVE DIRECTOR

Mr. OBEY. Is Tom Dine here now from AIPAC?

Mr. DINE. Yes, sir.

Mr. OBEY. We'll just switch appearances.

Good morning.

Mr. DINE. Good morning. Thank you, Mr. Chairman, for allowing me the opportunity to appear before this subcommittee.

My congratulations and appreciate to you, Mr. Chairman, and to the ranking minority member, Mickey Edwards, for the masterful job you did yesterday of managing the fiscal year 1990 supplemental appropriations bill through the House floor. The bill contains funding for several foreign policy programs important to our country as a whole. In the area of Jewish emigration out of the confines of the Soviet Union, you and your House colleagues, in voting overwhelmingly yesterday for money to help resettle Soviet Jews in Israel and for U.S. guarantees of Israeli borrowing of private money to build new housing for these immigrants now arriving in Israel at the rate of nearly 100,000 per year, has flashed worldwide a signal that the United States Government morally and materially supports this critically new exodus to freedom.

On behalf of my organization and the many people we represent, I express my gratitude and appreciation, Mr. Chairman, for your leadership in the humanitarian issue of Soviet Jewry.

I come before this subcommittee this morning also to express our support for the fiscal year 1991 Foreign Assistance Appropriations Bill, and, in particular, the $3 billion for Israel. I personally wish our foreign aid program would advance to a higher rung on the nation's agenda ladder so that America would be at the forefront in economically helping the modernization of poor countries and at the forefront in promoting and reinforcing democracy in areas that have had little or no experience in social pluralism, competing political parties, and representative government, in addition to providing assistance to existing democracies which depend on U.S. aid to survive in a hostile environment.

Why aid to Israel for fiscal year 1991? First, to prevent any further erosion in Israel's narrow margin of security. Israel remains surrounded by countries—except Egypt—who are in a declared state of war against her. This, plus the growing proliferation of the most current weapon systems, including unconventional ones like short- and intermediate-range ballistic missiles armed with chemical warheads, Iraq's President Saddam Hussain's recent threats against Israel are one stark reminder of this.

On that note, Mr. Chairman, I'd like to ask if we can submit into the record today's article in the Washington Post on this subject.

Mr. OBEY. I will take a look at it to consider its submission.

Mr. DINE. Fine.

Second, why aid to Israel? To keep Israel on its four-year course of economic recovery.

Third, to help Israel meet the challenge of absorbing hundreds of thousands of new immigrants.

Fourth, to build confidence to encourage the advancement of a peace process between Israelis and Palestinians and between Israel and Arab countries.

Thank you, Mr. Chairman, for your support and that of the subcommittee for money for Israel.

[The prepared statement of Mr. Dine follows:]

STATEMENT BY
THOMAS A. DINE, EXECUTIVE DIRECTOR
AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE (AIPAC)
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE
ON FOREIGN OPERATIONS
APRIL 4, 1990

Thank you, Mr. Chairman, for the opportunity to testify before this distinguished Subcommittee on behalf of aid to Israel. Appearing with me is Ms. Ester Kurz, AIPAC's Legislative Director. The American Israel Public Affairs Committee (AIPAC) appreciates the opportunity to express its views on the proposed Foreign Assistance Act of FY 1991 and the importance to the United States of relations with Israel.

AIPAC is a domestic organization of American citizens who value a strong partnership between our country and Israel. On our Executive Committee sit the presidents of the 46 major American Jewish organizations representing more than four-and-a-half million active members throughout the United States, as well as leaders of the pro-Israel community from all 50 states. Thus AIPAC is the pro-Israel lobby in this country.

Today we are witnessing significant changes in Eastern Europe and Latin America that were unthinkable just a few months ago. We rejoice with the peoples of Poland, Hungary, Czechoslovakia, Romania, Bulgaria, East Germany, and Lithuania for their new-found freedom and we admire their courage in overthrowing the communist regimes that had oppressed them for more than four decades. We applaud the President for extricating the people of Panama from the tyranny and corruption of a vile drug dealer and we are deeply gratified by the peaceful emergence of democratic governments in Nicaragua, Chile, and Brazil. At the same time, we must bear in mind that the situation in these countries remains fluid and unsettled. As demonstrated by the events unfolding in Lithuania, the battle for freedom and democracy has not yet been won.

The question, then, is what the United States can do to promote and solidify these countries' transition to democracy. We believe U.S. interests would be well served by joining our allies in Western Europe and Japan in extending and increasing assistance to those countries: Their economies are in shambles and their chances of achieving political stability thus greatly depend on substantial foreign aid. Yet such increased aid must not come at the expense of the present recipients, nations that immeasurably advance our national interest. Shifting aid from those recipients to the newly emergent democracies would not only hurt our established allies but also send the wrong signal to friends and foes alike. Clearly, what we need to do is generate additional funds to help the new democracies, not tamper with the current allocations.

Economic and military aid serves our national interest--both at home and abroad. We urge you to support full funding of the Administration's foreign assistance request. We urge you to preserve the Congressional prerogative to earmark. We urge you to vote for $3.0 billion in economic and military aid to Israel.

Despite the welcome changes in Eastern Europe and Latin America, the situation in the Middle East in general and in Israel in particular has remained troubled since I last testified on behalf of foreign aid nearly a year ago. Therefore, it is especially important not to lose sight of basic facts. The United States has a particular moral and strategic interest in Israel, the one democracy and our only reliable ally in the Middle East. It is the only country in the region with meaningful free elections, a robust free press, checks and balances to prevent and correct abuses of authority, extensive protections for the rights of individuals and minorities, basic equality for women, and other safeguards and rights that are typical of a free society yet nonexistent in any other Middle Eastern country. The Israeli Supreme Court is the only independent judiciary in the region that is prepared to listen to the grievances of all citizens, Jews and Arabs alike. And Israel is the only country in that area where every person has the freedom to worship in his or her own way.

Israel thus stands in sharp contrast to other countries of the region, which include feudal monarchies like Saudi Arabia, where power is permanently concentrated in the hands of a few wealthy princes and where average citizens are under constant surveillance by the religious police and internal security forces; dictatorships like Iraq, where the government has murdered thousands of Iraqi Kurds with outlawed poison gas, has killed 10,000 of its own citizens during an Army campaign to seek deserters, and has just recently executed a journalist for a British newspaper whose only crime was to search for truth; or radical fundamentalist regimes like Iran, which terrorizes its minorities, suppresses its middle class, backs terrorist groups holding American hostages in Lebanon, and, until the 1988 cease-fire, routinely sent off young children into battle to serve as live "mine detectors." The combination of extremism and fundamental Islam that Israel confronts each day in the region is best exemplified by the Ayatollah Khomeini's death sentence against author Salman Rushdie--a threat which received widespread support throughout the Muslim world and which remains in force even after Khomeini's death--because the novelist's views as expressed in fiction were deemed blasphemous.

In public opinion poll after poll for 41 years, when the American people have been asked what is known as the standard question about the Middle East, namely, "in the Middle East situation, are your sympathies more with Israel or more with the Arab nations?," they have resoundingly reaffirmed their sympathy for the Jewish state and their conviction that Israel is a democratic ally whose security and well-being are vitally important to the United States. Even at the height of negative publicity about the intifada, a *Washington Post/ABC News* poll (April 1989) found that support for Israel had reached an all-time high of 69%. Last September, 73% regarded Israel as a friend or close ally of the United States (Martilla & Kiley). And during that same month, when Israel was criticized for failing to consult with the United States before seizing a Lebanese terrorist in an attempt to win the release of American and Israeli hostages in Lebanon, 84% of those polled said ties with Israel should be kept the same or strengthened (*Washington Post/ABC News*). These figures tend to fluctuate with events, but a majority of Americans consistently say they sympathize with Israel. Clearly, Americans do not agree with all policies of the Government of Israel any more than they do with all the policies of our own government. But, a great majority of Americans support Israel's survival and defense and very few would want to tamper with the security assistance which is Israel's vital lifeline. For instance, despite growing concerns about the U.S. budget deficit and other domestic problems, Americans strongly support foreign aid to Israel. In April 1989, 72% said the level of assistance to Israel should remain the same or increase (*Washington Post/ABC News*).

Indeed, the absolute amount of our aid to Israel is substantial. But it is comparatively one of the most cost-effective investments that the United States makes in support of its common interests. U.S. expenditures in support of our European allies in NATO, for example, are more than 40 times the size of our aid to Israel. And we get a good return on our money to Israel.

Mr. Chairman, the deep, broad-based partnership between the United States and Israel continues to flourish. A new era is dawning that holds great promise for both countries and bodes well for the future of U.S.-Israel relations. The relationship between the United States and Israel is steadfast and strong. And this Subcommittee, by voting for $3 billion in military and economic assistance to Israel in FY 1991, will be helping to ensure that steadfastness and strength.

Partners for Peace

First and foremost, Mr. Chairman, the United States and Israel are partners in launching a peace process. In March, we celebrated 11 years of peace between Israel and Egypt, a peace midwifed by the United States. Indeed, the viability of that historic achievement was vividly demonstrated by last year's relinquishment by Israel to Egypt of Taba, a flyspeck of territory in the Sinai, in accordance with the decision arrived at by an international arbitration panel--a mechanism provided for in the U.S.-brokered treaty. Israel proved once again that it lives up to its commitments. Moreover, the legacy of that period of intense negotiations is illustrated by the ongoing tireless efforts of the United States, Israel, and Egypt toward advancing peace in the area.

We are pleased to observe that the close consultation between the United States and Israel in the search for peace that was the hallmark of the outgoing Reagan Administration continues to serve as the model for the new Bush Administration. Last May, when Israel introduced its bold peace initiative, it took an extremely serious risk. Despite the acquisition by hostile Arab states of tens of billions of dollars worth of modern arms, including chemical weapons and the means of producing nuclear arms as well as missiles capable of delivering them to Israeli targets; in the face of relentless Palestinian violence in the territories and Palestinian terrorist attacks on Israeli civilians; and in spite of uncertainty with regard to U.S. intentions, the Israeli government proposed a comprehensive peace plan to address not only the problems in the territories but also the overall conflict with the Arab states. This plan, which was fully endorsed by the Knesset, is a major substantive proposal for advancing the peace process.

One important component of the plan is democratic elections to be held in the West Bank and Gaza. These elections would empower legitimately elected Palestinians to negotiate with Israel first over interim arrangements in the territories, followed by negotiations for a permanent settlement. This potential emergence of democracy in a part of the world where, outside of Israel, none exists, is a revolutionary concept. As Secretary of State Baker said last week, "In the Arab-Israeli conflict, we see elections in the occupied territories as a catalyst to bring about a constructive Israeli-Palestinian dialogue which could lead to the peace both peoples so badly need."

Less well known are the other components outlined in the comprehensive Israeli peace initiative. They include: steps to ensure the continuing viability of the Egypt-Israel peace treaty; confidence-building measures on the part of the Arab states to contribute to resolving the underlying problems of the Arab-Israeli conflict; and concrete measures to alleviate the persistent, tragic problem of the Palestinian refugees.

Since Israel's introduction of the peace plan, there have been many ideas proposed to help further the peace process. Egyptian President Mubarak introduced his ten points last summer. Soon after, U.S. Secretary of State Baker outlined a five-point framework to help bring the Israeli plan to fruition; the fifth point calls for the convening of a tripartite meeting among the foreign ministers of Israel, Egypt, and the United States. The role of the United States, acting as an honest broker in these negotiations, remains crucial to the success of the peace process.

Israeli political turmoil and internal disagreements aside, the major parties in Israel are committed to advancing the peace process based on Israel's forthcoming initiative of last May. As the White House spokesman stated during Prime Minister Shamir's visit last November, "It's important not to become impatient when you're dealing with the Middle East." Unfortunately, recent public statements by high-level Administration officials demonstrate a level of impatience and public pique with Israel which only can have unintended negative results. Israel, Egypt and the U.S. have been establishing the foundations for a tripartite meeting. This constitutes an important step in preparing for the first-ever negotiations between Palestinian Arabs and the Israeli government, an event of historic magnitude.

The issues still outstanding prior to the inauguration of those negotiations are delicate and difficult. The intense deliberations over the modalities of the peace process reflect the potential impact of each detail on Israel's future security. So hard is it to grapple with these issues, that the National Unity Government dissolved over various minutia on how to proceed with negotiations. Commendably, State Department pronouncements have stated U.S. willingness to work on these negotiations with whatever Israeli government emerges.

Jerusalem

The people and both major parties of Israel are entirely united on one vital issue: their conviction that Jerusalem is and will remain the undivided capital of the Jewish state, as it has been for more that four decades.

Jerusalem is the embodiment of Jewish history, the heart and soul of the Jewish people. For three thousand years, Jerusalem has been the focus of Jewish national and religious yearning. For more than 40 years, the offices of Israel's President and Prime Minister, the Knesset, and most government ministries have been located in Jerusalem.

Under Jordanian control, Israeli Jews, Christians, and Moslems were denied access to their holiest shrines. By way of contrast, Israel has allowed each religious authority to oversee its own holy places.

Unfortunately, the Administration has recently stated a position that is unacceptable to any Israeli government--Likud, Labor, or National Unity. By objecting to Jewish "settlement" in East Jerusalem, President Bush abruptly seemed to signal a major shift in U.S. policy: He declared U.S. opposition to Jews living in east Jerusalem--no previous administration has opposed Jewish housing in the Old City's Jewish Quarter; he drew a distinction between east Jerusalem and west Jerusalem, despite longstanding U.S. policy that Jerusalem should remain undivided; and, he linked east Jerusalem to the West Bank, failing to acknowledge Jerusalem's special status.

Jerusalem is the most difficult issue in the Arab-Israeli conflict and one that previous administrations wisely left for last. By raising the issue, the Administration created doubts about the U.S. credibility at a sensitive time in the peace process, setting back the Administration's own efforts to initiate an Israel-Palestinian dialogue on Israel's election proposal.

Moreover, the statement on Jerusalem is unlikely to encourage the Arab states to change their belligerent stance toward Israel and enter into peace negotiations. As the Senate stated in a unanimously adopted resolution last month, "ambiguous statements by the Government of the United States concerning the right of Jews to live in all parts of the city... inhibit and complicate the search for a lasting peace in the region." And as the resolution further declares, "Jerusalem is and should remain the capital of the State of Israel" and "must remain an undivided city in which the rights of every ethnic and religious group are protected." We hope Secretary of State Baker's most recent formulation, according to which "Jews and others can live where they want, East or West, and the city must remain undivided," represents an authoritative statement of current U.S. policy.

Situation in the Territories

The two governments are agreed on the need for easing tensions between Israelis and Palestinians and for direct negotiations between Israel, the Palestinian Arabs in the West Bank and Gaza, and the Arab states on the basis of U.N. Security Council Resolutions 242 and 338. Both governments are in fundamental accord on the absolute necessity for a long-term transitional period to precede any final settlement.

The ongoing violence in the West Bank and Gaza lends added urgency to the search for peace. PLO leader Arafat sent a clear message to Israeli leaders last week: "We will fight you with stones, with rifles and with al-Abed" (a reference to the space rocket launched by Iraq last December). For over two years, the uprising leadership, in conjunction with PLO headquarters in Tunis, has consistently called in its manifestos to the local population for violence in the form of throwing rocks, hurling Molotov cocktails, wielding knives, and committing arson against the "Zionist enemy." Since the introduction of the Israeli peace initiative early in 1989, incidents of violence against Israeli civilians and soldiers almost doubled; from over 21,000 in 1988 to over 41,000 in 1989, averaging 110 per day in 1989.

As a democratic state in a hostile environment with enemies on three of its four borders and an antagonistic population under its control, Israel has groped for the most humane methods to contain mob violence. The Israeli Defense Forces are required to operate under some of the strictest rules of engagement of any nation in defending against attacks by Palestinian Arabs who are bound by no guidelines other than the calls by the Unified National Leadership of the Intifada to use "all available means" against the Israelis. In 1989 alone, according to the IDF, Israeli civilians and soldiers suffered almost 1300 injuries from attacks with knives, Molotov cocktails, explosives, axes, guns, acid, and automobiles, as well as rocks. The intifada has been costly for Israel, and Israel's handling of the intifada has been the focus of extraordinary media coverage sparking extensive criticism. To be sure, there have been flaws in Israel's intifada management. Israelis have been the first to point them out. But, as Israel's political and military leaders have repeatedly indicated, the bottom line is that the problem requires a political solution. As Prime Minister Shamir one year ago declared in the Rose Garden at the White House, "Our two governments are agreed that the status quo is not desirable and not satisfactory. None of us wants to see it continued."

The PLO has attempted to sabotage the peace process by ordering an escalation of the intifada and directing its death squads to assassinate Palestinians advocating a political accommodation with israel. As a matter of fact, on January 1, 1989, Yasir Arafat personally threatened the life of Bethlehem Mayor Elias Freij for proposing a truce in the territories and said, "I will give him ten bullets in the chest." He later admitted to giving the internal Unified Leadership the "powers of commander-in-chief to sign execution decisions." According to the State Department, the number of Palestinians murdered by Palestinians increased from 13 in 1988 to 128 in 1989. This number is today more than 200. Less than a week ago masked Palestinian terrorists brutally murdered a young Palestinian UN worker in a West Bank refugee camp and wounded six of his relatives. During the month of February, the number of Arab residents of the West Bank and Gaza murdered by other Palestinian Arabs, 15, was greater than the number, nine, killed by Israeli security forces.

To advance the peace process requires confidence-building, not confidence-eroding, measures on both sides. This was the logic behind the series of tangible measures to improve the quality of life for the inhabitants of the West Bank and Gaza on which the U.S. and Israeli governments cooperated closely since 1983. These measures, which had originally been coupled with King Hussein's ambitious West Bank development plan, were directed toward nurturing a stable Palestinian leadership in the territories with a stake in coexistence with Israel and Jordan. Such projects could become an integral part of future transitional arrangements in the territories in the peace process. AIPAC strongly supports increased U.S. funding for such measures and calls upon our European allies and Japan to contribute substantially as well.

PLO Violations of Commitments

Unfortunately, the winds of change sweeping across Europe have not yet reached all of the Middle East. In evaluating the actions of the PLO, and consequently the role of the U.S-PLO dialogue in facilitating a peace process and U.S. anti-terrorism efforts, it is important to look at the standards spelled out by the United States government. As then President Reagan said at the outset, "The PLO must live up to its statements. In particular, it must demonstrate that its renunciation of terrorism is pervasive and permanent." As the highly commendable legislation "PLO Commitments Compliance Act of 1989" passed by this Congress states, "any dialogue with the PLO [must] be contingent upon the PLO's recognition of Israel's right to exist, its acceptance of U.N. Security Council Resolutions 242 and 338, and its abstention from and renunciation of all acts of terrorism." The first periodic report issued on March 19 by the State Department in accordance with the legislation was intended by Congress to promote the U.S. policy objectives of preventing PLO terrorism and furthering the peace process. Unfortunately, by accentuating some positive aspects of the PLO's conduct while omitting and ignoring acts and statements inconsistent with Arafat's pledges, the report clearly failed to achieve its stated purpose. The PLO, despite Arafat's December 1988 commitments, has continued to engage in acts of terror and to undermine the peace process.

In violation of Arafat's pledge, there have been at least 21 attempted cross-border attacks and two rocket attacks by Fatah and Fatah-aligned factions of the PLO since December 1988, including a December 5, 1989 Fatah attempt across the Egyptian border. Arafat's Number Two and chief of his security apparatus, Salah Khalaf (Abu Iyad), recently declared, "The PLO now has no alternative but to escalate armed struggle...." The new political program of Arafat's Fatah also called last August for "escalation of armed struggle" against "the barbarous Zionist entity." The State Department itself at the time commented, "The political program issued by Fatah raises questions about Fatah's commitment to accommodation, understanding, and peace." Furthermore, Arafat's personal representative to the U.S.-PLO talks, Yasir Abd Rabbo, is the Number Two man at the DFLP, an organization which is responsible for at least seven acts of terrorism since December 1988, including an attempt to attack the northern Israeli town of Zarit on March 17, 1990. The DFLP terrorists were armed with Kalashnikov rifles, LAW rocket launchers and hand grenades.

In contravention to the PLO Commitments Compliance Act, Arafat's personal crack terror unit, Force 17, has been reorganized under the leadership of Abu Iyad, with Hakam Balawi as his deputy. Abu Iyad played a central role in assembling the Fatah terror network and was a leader of Black September, an arm of Fatah responsible for the deaths of many Americans, including the March 1973 assassination of Cleo Noel, U.S. ambassador to the Sudan. Balawi is an Arafat hand-picked delegate to the U.S.-PLO dialogue in Tunis. Thus, far from being disbanded, Force 17 is accorded added stature.

Moreover, Abu Iyad condoned, not condemned the February terrorist attack on Israeli tourists in Egypt, which killed nine: "If the Israeli mentality maintains this degree of obstinacy they must expect similar operations in the future." Last July, after a Gazan forced an Israeli civilian bus over a cliff, killing 16, Arafat reacted, "I can offer no guarantee whatsoever that our people will not escalate things and use weapons to defend themselves."

And the PLO continues to enunciate its "strategy of stages," first formulated by the PNC in 1974, to destroy Israel step by step. PLO "Foreign Minister" Farruq Qaddumi stated, "Regaining part of our territory will not make us forget the Palestinian land. We shall pitch our tent as far as our bullet reaches. The Palestinian people will pitch their tent as a main base, and then the Palestinian people will study what the next stage will be." Indeed, within days of Arafat's Geneva pledge to recognize Israel, Salah Khalaf stated, "There is no alternative to defending [Arafat's] political communique through powerful armed activity--the armed struggle will not stand out from among the pages of the communique, but will escalate and grow...at first, a small state, and with Allah's will, it will be made large and expand to the east, west, north, and south...I am interested in the liberation of Palestine step by step."

On the political front, Arafat's anti-Israel diplomatic offensive continues. At the UN General Assembly last October, Arafat endorsed the Arab-sponsored resolution calling for the expulsion of Israel from the General Assembly. In October 1989, Arafat warned Japan against increased economic ties with the Jewish state, threatening, "It is not necessary for you to think of our interests. Think of your own interests."

Most reprehensible is the PLO's declaration of Jewish emigration from the Soviet Union an "act of war." Arafat and his top aides are not only threatening the safety of the emigrating Soviet Jews, but also are employing pressure on the Soviet government to halt the emigration. Arafat personally asked the Kremlin to prohibit "direct maritime or air transport" of Soviet Jews to Israel, thus denying Israel its sovereign right to accept Jewish immigrants from anywhere in the world.

The PLO opposes Jewish immigration because it reinforces the permanency of the Jewish state. As Salah Khalaf stated, "The number of Jewish immigrants could be anywhere between 600,000 to one million persons in the next five years; that is, the same number as when the Jewish state was established--Israel's population in 1948 was 650,000. Thus the number coming to the region will be greater than the original number of people who created Israel. Here lies the danger. This is the danger which the Arab nation should understand and confront."

Arab Governments' Harmful Policies

As President Bush eloquently stated during Shamir's visit a year ago, "no political process can succeed in a political vacuum....The Palestinians, the Arab states and other interested parties must demonstrate that they too are willing to make peace a reality." Israel's neighbors--the Palestinians in the territories and the surrounding Arab states--must, as Egypt did years ago, demonstrate their commitment to live in peace with the Jewish state.

In October 1989, however, all Arab states except Egypt voted to expel Israel from the United Nations. The Arab boycott of Israel, led by Saudi Arabia and Kuwait, continues unabated. All of the Arab states are currently exerting intense diplomatic efforts to halt Soviet Jewish emigration to Israel. And it was only a month ago that the Syrian General Mustafa Tlas, deputy armed-forces commander, defense minister and deputy prime minister, stated, "Assad alone has an outlook for the future; that is, the conflict between the Arab nation and Zionism is over existence, not borders."

To advance the peace process requires a commitment to avoid the pitfalls of "evenhandedness"--ascribing a strategic and moral equivalence between our ally, Israel , and the PLO, which has until recently been our sworn enemy. It also means avoiding public confrontations as well as surprises. Public pressure on Israel is counterproductive to the peace process. It undermines confidence and creates nervousness in Israel about the U.S. commitment. The Administration has taken a series of steps that have contributed to an erosion in the perceived trustworthiness of the United States, including statements that would have the effect of holding Soviet Jews hostage to the issue of settlements. We are nonetheless confident that the Bush Administration, with the backing of Congress, and a new Government of Israel will continue to work together in vigorous pursuit of Middle East peace.

Strategic Partners

To achieve peace and maintain it requires strength, particularly in the Middle East where the forces of radicalism must be deterred. In this area, too, the United States and Israel are strategic allies. Both countries have strengthened and enhanced each other's military posture.

In 1987, Israel was declared a Major Non-NATO Ally of the United States. That was a major step forward in the strategic relationship between the two nations. It will continue to enable them to expand the scope of strategic cooperation. This is not an area of special benefits, grants or loans. Rather, it is a logical extension of the alliance that has blossomed since November 1983 when the United States and Israel enunciated the policy of expanding strategic cooperation, particularly joint military planning and exercises, to meet threats to mutual interests in the Middle East and the eastern Mediterranean.

On April 21, 1988, the United States and Israel signed an historic Memorandum of Agreement (MOA) institutionalizing the strategic cooperation agreements of the previous five years. The MOA serves as a fundamental building block in our strategic partnership with Israel, which has been broad and wide ranging. In the words of former Defense Secretary Frank Carlucci during his visit to Israel last November, military relations between the United States and Israel "could not be better." This was reiterated by another Pentagon official who said, "...together we have achieved more in the last eight years to evolve [the] spirit of cooperation than at any other period in the history of our relationship."

The breathtaking transformations that have taken place in Europe and the Soviet Union over the past year will have profound ramifications throughout the rest of the world, not least in the Middle East. How will these changes affect the U.S.-Israel strategic relationship which has blossomed and matured during the 1980s? It is our view that this new era holds great promise for both countries.

Critics have argued that since the basis for U.S.-Israel strategic cooperation was the conviction that Israel could play a significant role in deterring Soviet aggression in the Middle East, the new era of reduced tensions obviates that function. It is a mistake, however, to view the bilateral strategic relationship strictly through a cold-war lens, thus erroneously devaluating Israel's role in the era of glasnost. Regardless of any Soviet threat, the United States needs stable allies, and Israel is such an ally.

In any event, Soviet military forces capable of hostile action in the region are still formidable, and it is by capabilities, not intentions, that we must assess the Soviets. As one of the most powerful littoral states, Israel helps defend the Mediterranean and protect the southern flank of NATO against all threats. Israel has a strong moral and security interest in cooperating with American forces in the eastern Mediterranean. At a time when other allies are showing increasing reluctance to host U.S. military bases, it is reassuring that Israel has shown a willingness to make its military facilities available to the United States. It is likely that as the arms balance in Europe shifts, Israel will grow in importance as U.S. security interests in the region begin to depend increasingly on its Mediterranean naval presence and non-European sites are sought for the possible redeployment and storage of U.S. equipment withdrawn from Western Europe.

Israel's strategic value is not limited to protecting American interests vis-a-vis the Soviet Union. It has a role to play in helping the United States confront other threats in the Middle East. Radical outlaw states such as Libya and the continued spread of Islamic fundamentalism both present dangers to common national interests of America and Israel. And at a time when the United States is again becoming increasingly dependent on the Middle East for oil, Israel can make a contribution to American energy security by promoting regional stability.

During the past year, the new Administration in Washington has proved that it is fully committed to the continuation and enhancement of strategic cooperation with Israel. Despite the fast-paced changes in Europe, it seems certain that Washington's regard for Israel's importance to U.S. security interests in the Mediterranean will remain undiminished.

In 1989, the fundamental elements of strategic cooperation were expanded. The U.S.-Israeli Joint Political-Military Group (JPMG) met twice, in Israel and Omaha, Nebraska, to discuss a variety of issues concerning bilateral cooperation. Major developments took place in the areas of equipment prepositioning, joint exercises, and intelligence cooperation. In October, an agreement was reached to stockpile $100 million worth of dual-use military supplies in Israel. This materiel would be available for use by the IDF during crisis situations. U.S. Marine Corps exercises in Israel, initiated in 1988 with small units, grew to battalion-size training maneuvers in the spring of last year. When a Syrian pilot recently defected to Israel with his late-model MiG-23 fighter, American military and intelligence experts were allowed to scrutinize the aircraft. Port visits by U.S. Navy ships to Haifa for repairs and shore leave continued to grow. This could be enhanced to include home-porting of some warships of the U.S. Sixth Fleet in Haifa.

Israel has participated in joint naval exercises with the Sixth Fleet designed to strengthen U.S. antisubmarine warfare capabilities in the eastern part of the Mediterranean. Joint exercises help both nations. In particular, they help the United States better prepare for conflicts outside of Europe. Israel continues to provide access to its ports for regular ship visits by the Sixth Fleet. Indeed, when the President ordered a naval task force to the Persian Gulf in 1987, elements of that fleet, led by the carrier USS John F. Kennedy, called on the port at Haifa. U.S. naval operations in the Gulf have been greatly assisted by use of the Israeli-made "Pioneer" remotely-piloted vehicle deployed on the battleship U.S.S. Iowa. This pilotless drone has proved instrumental in conducting reconnaissance and surveillance, and has been described as a "tremendous success" by the Navy.

Israel makes facilities available for the storage and maintenance of U.S. materiel for American use in a conflict. It provides Kfir aircraft at no charge to the U.S. Marines' Aggressor Squadron to help train American fighter pilots. It has provided access to bombing ranges in the Negev desert for training exercises for U.S. Navy and Air Force fighter pilots. It has engaged in military training exchanges with the U.S. Marines. Access to such training areas by U.S. armed forces is of tremendous benefit, given the limited space and public displeasure expressed regarding exercises in Western Europe. It has staged joint military exercises with American special anti-terrorist forces. These cooperative military efforts have proved mutually beneficial and will be continued and expanded as the overall strategic relationship continues to grow.

One new area of potential cooperation is in the war against drugs. Israel has an outstanding record of securing its borders against terrorist infiltration. Much of this expertise along with the technology associated with it is applicable to the daunting task of drug interdiction.

Israel has entered into formal arrangements to provide access to its sophisticated hospital facilities for U.S. military casualties in a conflict. These facilities have already been used to treat U.S. personnel injured in the bombing of the U.S. Embassy Annex in east Beirut in 1983 and on several other occasions.

Israel has shared with the United States the lessons of its combat experience in Lebanon, where Israel successfully used American equipment against Soviet weapons. It has undertaken joint research and development projects with the Pentagon to build on the technological expertise acquired from decades of conflict. In December 1987, Secretary of Defense Frank Carlucci and Defense Minister Rabin signed a Memorandum of Understanding enhancing Israel's ability to participate in joint defense R & D efforts with the U.S. The Army, Navy, Air Force and Marines continue to express high interest in testing and procurement of Israeli defense systems. Indeed, Israeli technology accounted for over half of the funds in FY 88 for evaluation of items from Major Non-NATO Allies.

Israel's cooperative research in strategic defense contributes to the common need to develop a defense against rapidly proliferating missiles. Israel is also one of only a few countries to sign a Memorandum of Understanding (MOU) on mutual threat and the benefits of cooperation and shared technology and continues to participate in this effort. Specifically, Israeli technology will be key to the successful development and deployment of an Anti Tactical Ballistic Missile (ATBM) system. A $158 million agreement on co-development of the Arrow interceptor missile was finalized in July 1988, and it will be ready for testing this year. ATBM has become an increasingly vital priority for the U.S. as Third World nations such as Iraq continue to develop missiles with ever-increasing range and accuracy. At present, it is vital that a new MOU be concluded to cover the next phase of the Arrow program so that deployment by the mid-1990s will not be delayed.

The United States military has continued to expand its purchases of sophisticated Israeli defense technology. Among the estimated $300 million in contracts in 1988 were major agreements on new mortars and communications systems for the U.S. Army. The figure for 1989 was even higher, roughly $350 million. U.S. military procurement of Israeli defense products increased, with almost $1 billion worth of equipment in the pipeline in 1989. As the Pentagon budget continues to shrink in coming years, with less money available for research and development, buying proven high-tech Israeli systems "off the shelf" is likely to become increasingly attractive. This is largely a function of Israel's streamlined research and development system. It takes an average of three to four years to field a new weapon system in Israel, whereas it may take a decade before an American design enters service. As U.S. defense industries face a shrinking market for their goods, they would be well-advised to consider joint ventures with Israeli firms. But Israel's role as an ally of the United States goes well beyond the confines of military cooperation in the Middle East.

Diplomatic and Trade Partners

Israel's role as an ally of the United States, however, goes well beyond the confines of military cooperation in the Middle East.

At the United Nations, Israel in 1989 voted with the United States on 87.5 percent of the General Assembly resolutions introduced in the 43rd session, the highest rate of cooperation of any country in the world, higher even than Great Britain's or Canada's. This contrasts with 32.4 percent for Turkey, and 32.9 percent for Greece--America's NATO allies in the eastern Mediterranean. It also contrasts with 11.3 percent for Egypt, 11.4 percent for Saudi Arabia, and 11.1 percent for Jordan--and the Soviet Union's 9.5 percent record.

In the information arena, Israel agreed several years ago to an American request to proceed with plans to install a Voice of America transmitter in the Negev desert to enhance American broadcasts to Soviet Central Asia, Afghanistan, and Eastern Europe--even at the risk of adversely affecting the situation of Soviet Jews. By contrast, two of America's NATO allies, Greece and Turkey, refused to host the VOA transmitter because of their unwillingness to endanger their relations with Moscow. Reportedly, Oman also turned down an American request.

Moreover, at a time when American exports face protectionist trade barriers around the world--when even our closest allies refuse to eliminate unfair trade practices, and indeed are erecting new barriers to American products--the historic U.S.-Israel Free Trade Agreement continues its phased implementation. A major step was taken in 1989, when Israel eliminated a host of tariffs in order to put American goods on equal footing with those from Europe. The success of this unprecedented agreement paved the way for a similar agreement between the U.S. and Canada.

At the end of the day, American exporters want to know if the Free Trade Area has led to a growth in trade. Since its signing in 1985, commercial U.S. exports to Israel have increased by over 40 percent. This means more sales, and profits, for American business. In fact, Israel is second only to Canada in terms of per-capita imports of U.S. products.

And so, Mr. Chairman, in the peace process, in strategic cooperation, in the diplomatic arena, and on the trade front, Israel is today one of our foremost partners in the world, working with the United States toward regional and global security.

Partners in Strengthening Israel's Economy

Israel and the United States have also cooperated in other bold initiatives over the past several years. Working together, they have successfully undertaken to rescue Israel's economy from the severe distress it was suffering just a short while ago.

Over the past three years, Israel has demonstrated how U.S. foreign assistance, in combination with strong and well-conceived corrective measures in the economy, can turn economic distress into an opportunity for recovery. Israel's recovery program has included some of the toughest austerity measures ever imposed by a democracy. The Congress, the people and the President of the United States were partners in this process, because a critical ingredient has been U.S. economic assistance. U.S. aid was the decisive safety net required to undertake such a bold initiative. In 1989, the Wall Street Journal called Israel's stabilization program a "mini-miracle."

Today, Israel is striving to go beyond stabilization, to undertake the underlying structural changes required for sustained economic growth. The government continues to slash subsidies of public transportation and basic food products such as milk, bread and eggs. Such cuts are painful, and cause upward inflationary pressure in the short term. Moreover, the health and education budgets constricted once again. Also, in 1989 Israel lifted price controls on some 20 additional product categories. Within Israel there is broad consensus on the need for such difficult measures.

The Finance Ministry has also found it necessary to authorize limited and calculated devaluations of the shekel. This is part of an effort to maintain the competitiveness of Israeli industry in the international market place.

Capital market reform is now progressing at an unprecedented pace. Israel continues to move down the long road of privatizing government-owned companies. In 1988 the Israeli government asked a major U.S. financial institution, the First Boston Corporation, to develop a strategy to achieve this goal. In 1989, the government began executing the prescribed approach. It sold off the Paz Oil Company, and the Jerusalem Economic Corporation, as it will soon do with the Israel Chemicals, Ltd. It is also looking for a buyer for Bezek, the national telephone company, and to liquidate government shares in the nation's major banks.

All of these measures are bold steps, as they all entail some disruption in the economy. Israel has long embraced the concept of full employment. Yet today unemployment is over 9 percent. By addressing the economy's underlying problems rather than taking more expedient, short-term steps, Israel has demonstrated its willingness to weather short-term discomfort for the sake of long-term gain.

In March 1989, the International Monetary Fund issued an authoritative report confirming Israel's success in stabilizing its economy:

> We are impressed with your success in restraining military spending and in reducing subsidies....We are particularly impressed with the most recent national wage agreement which called for no increase in basic wages at all this year....The central problem is to get investment moving again....The focus of discussion has accordingly shifted from economic stabilization to growth....The pressure to do better yet should be unrelenting.

The United States has a vital interest in Israel's economic well-being for several reasons. First, the economic health of our major allies and fellow democracies is inherently a vital interest for the United States, because in a very profound sense, the free nations stand or fall together. Second, the economy of Israel is the bedrock of the nation's ability to sustain its own defense, and for this reason Israel's economic health is essential to the stability of the region. And third, it is a vital interest of the United States to ensure that Israel continue on the path of economic growth and self reliance. This is something we can do, and for our own interest, must do.

The challenge for the United States, and for this Committee, as we look to the year ahead, is to continue a program that is working, and to take the steps that are necessary to reinforce, and indeed accelerate, the recovery to which the United States has already contributed so much. The foreign-assistance program before you is truly an investment in Israel's future.

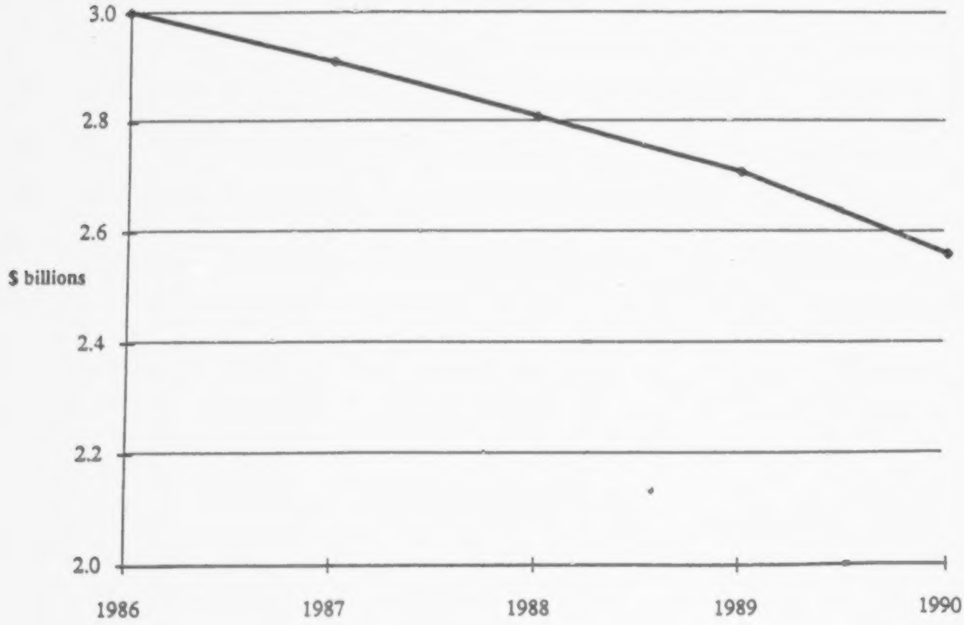
- Although the level of aid to Israel has remained steady for four years, the real value of that aid has declined. There has been a steady erosion in the value of Economic Support Funds and Foreign Military Sales credits to all aid recipients. Based upon information provided by the Congressional Budget Office, Office of Management and Budget and the Department of Defense, our aid package to Israel has eroded in value by over 15 percent since 1986 (See Charts I and II).

- Over 40% of Israel's national budget is allocated for the repayment of national debts. By comparison, only 15% of the U.S. budget is devoted to debt payment. Israel, in fact, carries the highest per-capita debt in the world, yet it has never missed a single payment to foreign lenders.

CHART I

Foreign Assistance to Israel: Erosion in Value

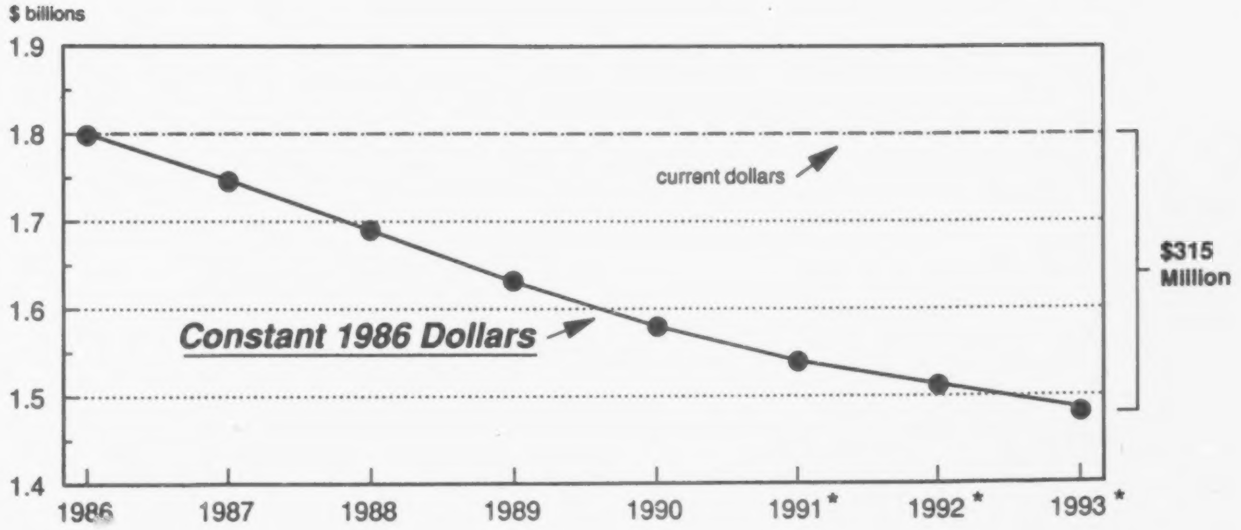
Constant 1986 Dollars



Based on information provided by the:
Congressional Budget Office,
Office of Management and Budget and
Department of Defense.

CHART II

Erosion In Value Of Military Assistance To Israel



Calculated with the assistance of the Congressional Budget Office, Office of Management and Budget and Department of Defense, using DoD procurement deflators appearing in the FY90-91 National Defense Budget Estimate of the Office of the Secretary of Defense and the FY90-91 DoD Budget Presentation to Congress.

* Projected, assuming continuation of $1.8 billion in annual FMS financing.

A number of U.S. friends and allies have been able to benefit from legislation designed to reduce high interest debt obligations incurred through the foreign military sale program. The importance of the refinancing to Israel, and to America's interest in a healthy Israeli economy, cannot be overemphasized. The debt refinancing did not stop the continuing increase in Israel's annual debt obligation due to FMS loans. The refinancing program only slowed the rate of increase in these repayments.

This severe debt schedule is why the program was so sorely needed, made so much sense, and still does. Overall debt to the U.S. government remains high. This is not only due to FMS loans, but also to loans for Economic Support Funds, housing, agriculture, and other programs.

The events in Eastern Europe have turned out to be a boon for Israel. The restoration of diplomatic relations with the East European nations, among other areas, bolsters Israel's confidence. Romania was the only East bloc country that did not break relations with Israel in 1967. But in recent month, Israeli ministers have visited most of these countries and signed a variety of trade and cultural agreements. Soon after its foreign minister visited Israel, Hungary re-established diplomatic relations. And Czechoslovakia and Poland have followed. Most remarkably, the East Germans have accepted some responsibility for the Holocaust and have agreed to disburse reparations to its victims. A number of commercial agreements have also been signed with the Soviet Union and consular ties instituted, but regrettably the Soviets continue to impose unreasonable conditions for re-establishing full diplomatic relations.

Moreover, a number of black African nations, most notably Ethiopia, are taking the Eastern European cue and restoring diplomatic relations with Israel.

By far the greatest impact the changes in Eastern Europe will have on Israel is the mass immigration of Jews. Jews today are leaving the Soviet Union in unprecedented numbers. Over 100,000 Jews are expected to arrive in Israel this year. The wave of nationalism unleashed with glasnost has, unfortunately, brought with it increased anti-Semitism throughout the Soviet Union; Jews are being harassed, intimidated and persecuted. Hundreds of thousands want to leave for Israel immediately, yet commercial flights from the Soviet Union to destinations leading to Israel are booked through 1990 and the Soviets have refused to ratify an agreement for direct flights from the Soviet Union to Israel. El Al, the airline of Israel, has reached an agreement with Aeroflot which would allow the Israeli airline to fly directly into Moscow to bring Jews to Israel. But Soviet leaders, under pressure from Arab governments that oppose Jewish immigration to Israel, have refused to implement the agreement.

But immigrants are not only coming from the Soviet Union. Israel expects 10-12,000 Romanians to make "aliyah"--to come to Israel--this year. About 500 Hungarian Jews, double the previous number are also anticipated. Because of the economic problems in Latin America, another 3,000-3,5000 Jews from that region are expected to emigrate. And, it is hoped, the last 15,000 Ethiopian Jews will finally be permitted to leave this year.

Throughout its 41 year existence, Israel has served as the homeland for displaced Jews. It was founded by the survivors of the Holocaust; through the 1950s and 1960s, more than half a million Jews from the Arab nations of the Middle East and North Africa, knowing neither Hebrew nor English and possessing little trade skills, found homes and were absorbed into Israeli society. Once again, Israel is fulfilling its mission to rescue an endangered Jewish community.

Over 5,000 Soviet Jews are now arriving in Israel every month. Such numbers represent only a tip of the iceberg. There are a total of 330,000 Soviet Jewish families that have requested invitations to Israel. This represents over a million people to be absorbed by a nation of only 4.6 million. An equivalent number of immigrants for the United States would be over 50 million people.

The impact on Israel's economy will be staggering, and indeed the effects are already being felt. Inflationary pressures have increased. The strain on the government budget is enormous, as costs rise to meet the increase of number of immigrants. Israel must construct not only new housing, but also new infrastructure like schools, hospitals, and other public facilities. And the task of job creation and job training for the highly educated Soviet Jewish population compounds the economic burden.

These are challenges that Israel joyfully will confront and solve, but not overnight and not without difficulty.

I commend the Committee and the Chairman for recommending the passage of the housing loan guarantees to resettle Soviet Jews. Furthermore, I might add, this humanitarian issue must not be linked to overall Israeli policy on settlements--there is no Israeli government policy to encourage Soviet Jews to live in the West Bank and Gaza; less than one percent are settling there. Soviet Jews, like all Israelis, should be free to live where they chose.

I again commend the U.S. Administration and Congress for their efforts to secure expeditious passage to Israel. I do hope that, despite intense Arab and PLO lobbying efforts, Eastern European nations will continue to serve as transit points for the emigrants until the time when the Kremlin will ratify the direct-flight agreement.

Maintaining Israel's Vital Qualitative Edge

Beyond the challenge of economic recovery, the program before you is essential for a second reason. It is that our assistance to Israel over the coming year will have a critical impact on the security of the Jewish state.

In past years, we have related to this committee a bleak description of the erosion in Israel's margin of security. This has resulted to a great degree from the severe financial and budgetary austerity measures that were necessary to rescue Israel's economy. Regrettably, that assessment, while improving, still captures the essence of the situation. Indeed, the effects of recent years' defense budget cuts will continue to be felt well into the 1990s. Defense expenditures in coming years will continue to be cut back and the Israel Defense Forces are facing the choice of cancelling important projects or stretching them out over extended periods, thus driving up their ultimate cost.

The austerity measures cut Israel's defense spending by about 20 percent in a two-year period--one of the largest reductions ever imposed by a democracy in so brief a timespan. While Israeli military planners have attempted to make the cuts without eroding Israel's narrow margin of safety, reductions of this magnitude have, inevitably, added to the element of risk in many areas.

In recent years, active combat units were disbanded, reduced in size, or converted into reserve formations. Large numbers of vital aircraft have been mothballed, effectively grounding 15 percent of Israel's combat force. This has decreased the number and size of army brigades and air force squadrons available to meet a surprise attack, weakening the basis on which Israel's security has rested since the conclusion of the 1973 Yom Kippur War.

At least one of Israel's mechanized/armored divisions was disbanded, resulting in the withdrawal of several hundred tanks from the IDF battle order. This means a serious decline in Israel's visible deterrent capability as well as a decline in its war-fighting ability.

The impact of past reductions in training time is still being felt, and has been made worse by the demands of dealing with the intifada. The expenditure of ammunition in training is still curtailed. There have been serious cuts in the number of flying hours allowed aircraft pilots, resulting in 20 percent of pilots being dropped in order to continue training for the remainder. Israeli pilots now are able to fly fewer training hours than their American or even Jordanian counterparts. In terms of actual funds, it is estimated that it costs the Israeli Defense Forces $970 per hour to operate a Merkava tank engine, $2,687 per hour to operate a missile boat and $13,708 per hour to fly an F-15 fighter.

Reserve readiness has been cut. For several years the number of reserve days served by Israeli soldiers was reduced, although it was increased recently to cope with the demands of service in the West Bank and Gaza Strip. However, because of the amount of time both regular and reserve troops are now spending in riot control duties on the West Bank, they have less time to train for their primary mission of conventional defense. Israel had been forced to augment its forces in the administered territories by four or five time the level present two years ago. As a result, reserve units will continue to be less prepared for conventional warfare than they were in the past.

Thousands of active duty military personnel have been released from the IDF. This has meant the loss of a great many highly skilled individuals who will be sorely missed by the Israeli armed forces. Pay cuts and personnel releases have produced an exodus of highly trained and motivated professionals. Riot control service in the West Bank and Gaza has placed an added strain on the troops. These factors threaten to undermine a key aspect of Israel's military superiority--its large qualitative advantage in personnel.

Ammunition and equipment stockpiles have suffered deep cuts in order to lessen the impact of reductions in other areas. This has reduced Israel's ability to sustain its forces in combat. In an effort to reduce expenses, the armed forces have continued to draw down their stockpiles without full replacement. General Menachem Einan, chief of the IDF Logistics Branch, recently pointed out the gravity of this situation, stating that the Israeli Army must "close the gap created in the last three to four years between current and operational levels" of stores.

Many programs, such as continued acquisition of new Merkava III tanks, helicopters, and naval vessels have been delayed but are finally moving forward this year.

Expenditures on research and development continue to be curtailed. This has diminished Israel's ability to develop and produce the unique new weapons and countermeasures needed to counter increasingly sophisticated weapons entering Arab arsenals. This further diminishes Israel's qualitative advantage over its opponents. In 1989, as in previous years, Israeli defense industries were forced to reduce their staffs and plant facilities and thus are less able to support Israel's military needs.

These cuts in Israel's defense budget have made American FMS aid to Israel all the more important. In particular, this money has helped upgrade Israel's Air Force--whose margin of superiority over its adversaries remains the cornerstone of Israel's security doctrine--particularly, through the acquisition of 60 additional F-16 fighters to fill the gap created by the cancelled Lavi aircraft, as well as Apache attack helicopters. We specifically wish to thank this Subcommittee and the Congress for earmarking increased funds for procurement of defense items in Israel. Permitting "offshore procurement" of this type helps ease the crisis faced by Israel's defense industry.

Another key program that will be funded through the FMS account is the upgrading of Israel's Navy, which must confront the colossal growth of hostile Arab navies like that of Syria, which has doubled its fleet of combat vessels since 1982. After years of delay due to budget constraints, Israel has finally been able to fund the building of new submarines and missile corvettes, although it will be years before these vessels enter active service.

The termination in 1987 of the Lavi fighter, which was to have been the centerpiece of Israel's industrial potential, was a hard blow for the country, and its effects are still being felt. It was initially thought that cancellation of the program would free substantial funds for other urgently-needed defense projects. However, the Israeli military will only be able to reallocate to other areas a small percentage of the money made available from the cancellation. The remaining money was used in areas directly associated with the Lavi's discontinuation.

Overall, Israel continues to face long-term reductions in the size of its military forces. What is lost in quantity must be made up in the qualitative enhancements provided through the development and use of advanced technologies.

The Arab Military Buildup

Sadly, the era of glasnost and disarmament in Europe has had little impact in the Middle East. Despite reductions in oil revenues in recent years, Israel's enemies continue to purchase more and newer weapons to add to their already bulging arsenals. They have placed orders for billions of dollars worth of new weapons each year, and have tens of billions of dollars more still in the pipeline from past years. Since 1973, the leading Arab nations still at war with Israel have spent roughly $400 billion on their armed forces. U.S. arms sales in the region have begun to increase again after several years of decline. Arab nations at war with Israel are continuing to spend approximately $30 billion annually on their military forces. Arab states now outnumber Israel four-to-one in tanks and aircraft (see Chart III). According to the United States Arms Control and Disarmament Agency, four of the eight largest arms-importing countries in the world are Arab nations in a state of war with Israel: Iraq, Saudi Arabia, Libya and Syria. And, it may be significant that despite its economic problems, Egypt was the next largest importer.

In addition, we must not allow another massive wave of arms deliveries to the Third World to result from a conventional arms control agreement between NATO and the Warsaw Pact. It would be tragically ironic if the advent of a new era of peace in Europe should be the catalyst for new threats to stability in the Middle East.

Syria has expanded and improved its armed forces since its defeat in the 1982 fighting. All branches of Syria's military have grown as a result. There is a growing disparity in standing armed forces--approximately 400,000 for Syria compared with 150,000 for Israel. This could serve to increase Syria's incentive for a surprise attack. Syria's president, Hafez Assad, has made very clear that his goal of "strategic parity" with Israel is a synonym for war preparation. Indeed, according to one estimate, the Syrians devote half their national budget to the armed forces, spending $1 billion more than Israel each year. As part of that buildup Syria has increased by 50% the number of divisions in its army. In 1989 an additional armored division was deployed, bringing the total to ten. These troops have been reequipped with the latest-model tanks, artillery, and other equipment available to the Syrians. The Syrians studied carefully the fighting in Lebanon in 1982 and have incorporated lessons from that campaign into their doctrine and training.

Syria's navy has also been a major beneficiary of this buildup, seeing the number of its combat vessels double in the years since the Lebanon war as well as the addition of previously unavailable capabilities. These new capabilities are the result of Syria's acquisition of modern Soviet Kilo-class submarines, and a new coastal defense missile, the Sepal, with a range of about 180 miles.

Syria's air defense and air force have also benefitted in this expansion. The losses of 1982 have been replaced, and more advanced types of anti-aircraft missiles and aircraft have entered service. New anti-aircraft systems include the SA-5, SA-11, SA-13, and SA-14 missiles. Late last year, the Soviets agreed to a massive $1.4 billion upgrade of Syria's air defenses, to be financed largely by Saudi Arabia. Syrian pilots have been trained in the Soviet Union on one of its most advanced fighters, the MiG-29, the first squadron of which has been delivered, with the transfer of a second squadron expected in the near future. Of even greater concern are reports that Damascus has been negotiating with Moscow for the purchase of Su-24 fighter-bombers. Were Syria to acquire these potent aircraft, it would seriously increase the military threat to Israel.

The Syrians have also acquired Soviet-built SS-21 tactical ballistic missiles, another piece of first-line equipment for Soviet forces facing NATO. These missiles are much more accurate and dangerous than the earlier Soviet-built Frog and Scud tactical missiles in the Syrian armory. Within the last year, additional SS-21 batteries were delivered. The accuracy of these new missiles increase Syria's "first-strike" attack capabilities against key Israeli installations including air bases and mobilization points. This coincides with a major effort by Syria to build up its chemical warfare abilities. Two factories are currently producing a variety of nerve gas agents which can be deployed as warheads on Syria's ballistic missiles.

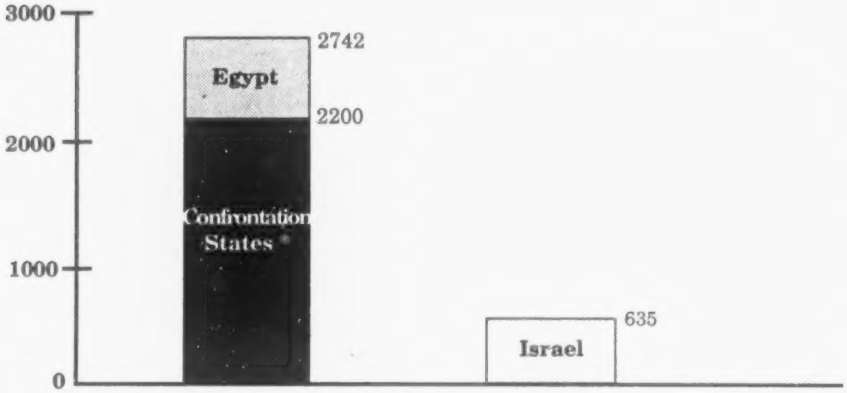
Several reports have emerged indicating that the Soviets now may be cutting back their military support for Syria, no longer willing to fund Assad's quest for "strategic parity." In reality, while the overall level of arms deliveries has slowly gone down over the past several years, the equipment now being sold is amongst the most sophisticated in the Soviet arsenal. The departure of some Soviet advisors from Syria results from the completion of their training mission, not because of a lessening of Moscow's support for Damascus.

Jordan has continued the modernization of its defense forces. Manpower has increased by more than 27,000 troops. The Jordanians have augmented their inventories of tanks, artillery, helicopters, anti-aircraft systems, air-to-air missiles, and other munitions. Some of this has been provided as a gift from Iraq, in the form of captured Iranian hardware. Jordan has one of the Arab world's most modern and qualitatively superior ground forces. The highly trained Jordanian Army has purchased offensively-oriented equipment such as mine field breaching devices and assault bridging equipment.

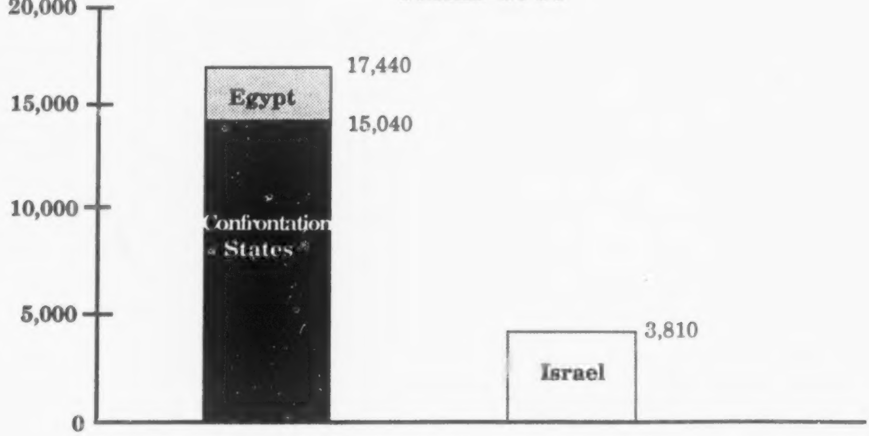
CHART III

Mideast States outnumber Israel in Combat Aircraft and Tanks by over Four to One

Combat Aircraft-1989



Tanks-1989



*** Syria, Saudi Arabia, Jordan, Libya, Iraq, Kuwait**

A key part of Jordan's military buildup plan appears to focus around increasing its air defense capability through the acquisition of advanced fighter aircraft and mobilization of its batteries of Improved Hawk anti-aircraft missiles. If Jordan succeeds in its search for this capability, it will be in a position to directly threaten Israel's margin of air superiority. In 1988, Jordan announced plans to purchase Mirage 2000 and Tornado fighter aircraft. These acquisition plans have temporarily been put on hold for financial reasons, but it is only a matter of time before Jordan obtains modern aircraft that will add significantly to the Kingdom's ability to challenge Israel in the air.

Perhaps more immediately alarming is the announcement by Jordan and Iraq of plans to form a joint air combat squadron of Mirage fighters. Coupled with recent reconnaissance flights of Iraqi aircraft along the Jordan river valley facing Israel, this is the most tangible evidence to date that Israel may soon face an expanded hostile eastern front.

There are also indications that Jordan took steps in 1989 to remove its I-HAWK missile batteries from their permanent concrete emplacements. This is a direct violation of agreements made with the United States when these weapons were sold in 1975, under which the missiles were only to be deployed at fixed sites.

Libya, despite its massive arsenal of Soviet-supplied weaponry, has until recently had only limited capability to directly attack Israel. The Qaddafi regime has now obtained the capacity for aerial refuelling of its attack aircraft from West Germany, giving it the means to reach Israel. In April 1989, it received the first Su-24 strike bombers from the USSR. Despite the rumored destruction of the Libyan chemical weapons plant at Rabta, Libya is likely to continue seeking a chemical weapons capability. It may have stored large quantities of chemical agents produced at Rabta, and can seek cooperation with states such as Iran and Syria to continue its chemical program.

Since 1980, **Iraq**, which has sent forces to fight Israel in three wars, has more than tripled the size of its armed forces. Indeed, since the beginning of this decade, Iraq has become the world's leading arms importer, taking delivery of weapons worth an average of over $3 billion every year. With the end of the Gulf War, it can be expected that the enormous arsenal accumulated in Iraq will be at least in part available for use against Israel, as it has been in the past. Moreover, the Iraqi armed forces are battle hardened; over one million strong, they are better organized, better trained and more fully mechanized and modernized as a result of their eight-year war with Iran.

Ominous indications that Iraq is actively trying to build a nuclear weapon continue to appear. Just last week, Iraqi agents were arrested in London trying to smuggle out nuclear triggering devices. Experts in Israel estimate Baghdad may have a working atomic device within five years. What is more, the Saddam Hussein regime has taken precautions to defend its nuclear facilities from a repeat of the Israeli strike at Osirak in 1981.

Such weapons truly become a threat when a state achieves the means of delivering them against a target. Iraq has extended the range of its surface-to-surface SCUD missiles. This enhancement enables Iraqi missiles, possibly armed with chemical warheads, to reach Israel from launch points in western Iraq--as explicitly threatened by the Iraqi president just a few days ago.

Despite steep reductions in oil revenues, **Saudi Arabia** continues to order weapons on a grand scale. It leads the Arab states in military expenditures, this year spending over $17 billion on its military--a sum equal to 75% of Israel's entire GNP. In each of the years 1981-1985, it was the world's second largest importer of arms. Current Saudi military expenditures per regular soldier are almost twice American expenditures (approximately $262,000 to $136,000). And, as Saudi Defense Minister Prince Sultan has made clear on several occasions, the focus of this military buildup is Israel, not Iran or the Soviet Union. Therefore, not only does it seek to acquire military capabilities far beyond its own legitimate defense needs, it continues to fund Syrian, Jordanian and Iraqi arms purchases and PLO terrorist activities against Israel. As is by now well known, Saudi Arabia has also recently acquired intermediate-range ballistic missiles capable of carrying a variety of warheads up to 1500 miles. These Chinese systems represent an entirely new class of missile in the region and their deployment by Saudi Arabia is not based on any conceivable security needs.

As part of this huge ongoing military buildup, Saudi Arabia has been steadily seeking to increase the size and combat capabilities of its air force. An important aspect of this particular effort has been the Saudi attempt to enhance the fighting qualities of the combat aircraft it has acquired from the United States. In this it has been partially successful, to the detriment of Israel's security. The sale of such equipment as American aircraft enhancements or replacements to Saudi Arabia cannot but lessen the opportunity for Israel to expend its resources on projects more productive for its society than countering an ever-extending range of Arab military power.

In 1988, Saudi Arabia and Great Britain announced what has been widely described as the "arms deal of the century", worth over $50 billion according to many sources. The centerpiece of this sale is the purchase of yet more advanced Tornado fighter-bombers, capable of attacking deep inside Israel.

While Saudi Arabia has not traditionally been thought of as a major player in past Arab aggressions against Israel, the massive expansion and modernization of its military during the past 15 years has given Riyadh the potential to play an important supporting role in a future conflict. The very fact that this capability now exists will bring pressure from other Arab states to join in a military coalition aimed at Israel.

Mr. Chairman, the Arabs purchase these arms from dozens of different nations around the globe. Our country has been a major supplier, selling billions of dollars of military goods and services to avowed enemies of Israel. American sales of new weapon systems to hostile Arab nations have had a particularly profound impact on the military balance between Israel and those states because American technology is often superior to that of competing weapons. These sales have significantly raised the cost to Israel of maintaining its own defenses, exacerbating the strain on Israel's economy, and barring any changes in American policy, will continue to do so in the future.

The chemical weapons threat to Israel continues to grow. Syria, Libya and Iraq have advanced to the point where they are manufacturing their own deadly chemical agents, and Iraq, has used them on numerous occasions in its war against Iran. In 1988, Iraq used its chemical arsenal against its Kurdish population, killing thousands of civilians and seriously wounding an equal number. Just two days ago, Saddam Hussein threatened to employ poison gas directly against Israel, vowing that Iraq would destroy half of Israel if another it made another attempt to halt Baghdad's drive to acquire nuclear weapons.

The realization of what was earlier an approaching threat has forced Israel to take in its turn precautionary steps to protect its population and soldiers from similar attacks, again at further cost to itself. Israel has had to initiate a massive civil defense program to protect its citizens, as well as invest in protective measures to keep airbases and other military facilities operational in a chemical environment.

Overall, what we have is a pattern of an accelerated Arab buildup while Israel substantially cuts its forces. The effort to maintain the qualitative edge adds to the burden on the Israeli economy, further worsening the quantitative gap in the Arab states' favor.

Mr. Chairman, we are all proud of Israel's achievements, but realistically it is impossible to have this combination of trends without a diminution of security. Israel's margin of safety is, inevitably, reduced by the austerity measures it has been forced to take in past years.

Today, I come before you to ask that you take the very serious security risks facing Israel into account when you consider the level of aid to Israel for FY 1991. What this Subcommittee does will have a direct impact on Israel's security, in a situation where there is much less room for error. Moreover, any reduction in aid will send the wrong signal to Israel's enemies.

Let me sum up, Mr. Chairman, the conclusions of my testimony. Our aid to Israel has been a wise investment, because Israel is our one democratic friend and most reliable ally in a critical region of the world. But this year aid to Israel is particularly important for three reasons.

The first is to prevent any further erosion in Israel's narrow margin of security in a situation where its forces have been cut while those of its adversaries are rapidly growing. Moreover, in this era of concern over allied burden-sharing, it is important to remember that while we devote roughly $170 billion to the defense of NATO, whose members spend an average of only five percent of the GDP on defense, Israel spends almost 25 percent of its GDP on defense.

The second reason aid is particularly important again this year is to stay the course on the economic recovery and growth program on which Israel has embarked. This is no time to reduce our effort.

Another reason aid is crucial this year is to help enable Israel to meet the challenge of absorbing hundreds of thousands of new immigrants, mostly from the Soviet Union.

Last, but not least, Mr. Chairman, aid is an important tool to advance the peace process. Israel must feel confident of American support and commitment as it takes risks for peace.

Israel is aware, however, of America's budget constraints and thus has not increased its aid request over the past four years. Indeed, in 1986, the Government of Israel, acting as a responsible partner in the foreign aid process, returned $51.6 million in ESF funds to the U.S. Treasury despite the economic pressures it was facing.

Mr. Chairman, I thank you for the strong friendship you, this Subcommittee, and the Congress, have demonstrated toward Israel, and for this opportunity to explain the importance of FY 1991 aid to Israel and to America.

[From the Washington Post, Apr. 4, 1990]

New Arab Arsenals Challenge Israel's Long Regional Dominance

(By Jackson Diehl)

Jerusalem, April 3.—The public threat by Iraq's Saddam Hussein to use chemical weapons in a confrontation with Israel highlights what experts here say has been a significant diminishment of Israel's longstanding position as the Middle East's commanding strategic power.

The acquisition during the last several years by both Iraq and Syria of chemical warheads and intermediate-range missiles, these experts say, means that Israel's superiority in conventional warfare and its strategic arsenal of both chemical and nuclear arms is now at least partly countered by its regional enemies.

Though military commanders here believe that neither Iraq nor Syria can yet contemplate a first strike against Israel with chemical or other nonconventional arms, they acknowledge that these countries now wield a potential threat to Israeli population centers that they could not mount in the past.

More significantly, experts say, Israel is losing the ability to control development of nonconventional weapons by the Arab states—a power it demonstrably wielded as late as 1981, when its planes bombed a reactor Iraq was allegedly planning to use to produce nuclear arms.

Rather than stopping Iraq and other states from acquiring missiles with nonconventional warheads or even with an eventual nuclear capacity, Israel will probably have to shift toward a policy of defining the conditions under which it would launch a preventive first strike against such weapons, experts here say.

"Eliminating the technological capacity of Iraq, as in 1981, is becoming impractical," said Gerald Steinberg, a military expert at the Bal-Ilan University in Tel Aviv. "The potential costs of it have gone up, and the effectiveness is diminished each time it is done."

Instead, he added, "We are beginning to see a new kind of discussion in Israel about red-lining, or what we will regard as a provocative action by Iraq that will prompt a preventive strike on their missile capacity."

Israel demonstrated its continuing technological superiority in the Middle East today by launching a new military reconnaissance satellite, the Ofek-2, into orbit.

The satellite is the second Israel has launched and reportedly is designed to remain in orbit for two years while providing photographs of military activity in Iraq and other Arab states. Iraq said it tested a rocket capable of lifting a satellite into orbit last December but appears to be far from matching the latest Israeli achievement.

It was most likely fear of another preemptive Israeli strike on military production facilities that prompted Saddam Hussein on Monday to deliver his threat of a chemical attack against Israel, Israeli military sources said.

"By God, we will make fire eat up half of Israel if it tried [to strike] against Iraq," Hussein said, adding that Iraq does "not need an atomic Bomb" because it has "dual" chemical weapons. The "dual reference was apparently a claim that Iraq has acquired sophisticated binary chemical weapons, which do not become lethal until they are fired.

Saddam Hussein's statement followed the breakup of an apparent Iraqi effort to obtain triggers used in nuclear bombs, a development that prompted speculation about possible Israeli action against Iraq's nuclear weapons production effort.

Israeli experts believe that Iraq remains at least several years away from producing nuclear weapons, military sources here said. Both Saddam Hussein and Syrian President Hafez Assad have concentrated on obtaining chemical weapons largely as an achievable means of countering an Israeli nuclear capability that they do not expect to match in the near future, the officials said.

One senior official, who asked not to be named, said Israel had "made it known" to both the Iraqi and Syrian leadership that their use of chemical weapons would lead to a devastating Israeli retaliation "far exceeding anything they have ever experienced before."

Nevertheless, Israeli military strategists have begun to look on the chemical capabilities of both Syria and Iraq as a potentially serious threat.

Though U.S. sources have cast doubt on the ability of Iraq to mount one of its modified Scud missiles with a chemical warhead, sources here said Israel believes Baghdad is capable to such a deployment. "They are already close to it, if they haven't done it already," said a senior military official.

Moreover, officials said, Syria has already equipped highly accurate SS-21 missiles with chemical warheads that could reach targets in Israel only two minutes after launching. Both countries also have Soviet-made Su-24 bombers that would be capable of reaching Israel with a chemical payload.

The new weapons "threaten to narrow the qualitative gap between us and the Arabs," said Aharon Levran, a reserve brigadier general in the Israeli army who has studied the implications of the new military technology in the region.

"This is a dimension that they didn't possess in the past. In the past, if the Arabs wanted to attack Israeli population centers, they had to send an expeditionary force. Now they have another option. They can fire a missile from afar."

"Missiles alone, even with nonconventional weapons, cannot decide a war," Levran said. "But they give these countries a threat against our population centers in wartime that they didn't have in the past."

Israel, which has its own intermediate-range Jericho missile, has sought to neutralize the new threat by developing a program to distribute gas masks to all its citizens and train them in their use. A test program in two communities was reported to have been successful last year, and the government is now considering a final decision on mass distribution of the masks.

With the help of funding from the U.S. Strategic Defense Initiative, Israel is also developing an anti-ballistic missile, the Arrow, which is due to undergo it first tests later this year and could be deployed by the end of the century, experts say. In the meantime, the government is studying a U.S. offer to supply Israel with a $200-million Patriot missile defense system, though military sources here said the army believes it cannot afford the purchase.

Until an effective anti-missile system can be developed, Israel will probably have to depend on a strategy of anticipating an Arab attack and attacking missile sites before a strike can be launched, Levran said. For now, military sources said, the six missile sites that Iraq is believed to maintain could probably be neutralized fairly quickly by Israel in the event of war.

Still, Steinberg said that as Syria, Iraq and other Arab states develop their missile-based and nonconventional arms in coming years, Israel is likely to find itself in a position similar to that of the United States at the time the Soviet Union was developing its nuclear capacity in the late 1940s, or when China reached a similar stage.

Like the superpowers before it, Israel may have to balance a developing regional strategic equilibrium against the risks and potential costs of intervening to maintain the status quo of clear Israeli superiority.

Mr. OBEY. Let me just comment and then ask a question.

One member asked if a vote occurred on the last amendment yesterday. He came up to me and said that he hopes the friends of Israel don't misinterpret the overwhelming vote here today. He said, "I think the numbers reflect awareness of sponsorship as much as they do content." I think that——

Mr. DINE. We're well aware of that.

Mr. OBEY [continuing]. Is an accurate assessment.

I would ask you the opposite end of the question I asked the previous gentleman. When do you think Israel, as a body politic, is finally going to recognize that the longer we go without a settlement, the less secure Israel will become because of the changing nature of weapons and their availability—everything from chemical weaponry to you name it? How long before that historical reality creates greater willingness to take some risks by leaving the status quo in order to secure a future which would be otherwise, in my judgment, more dangerous than the existing situation?

Mr. DINE. Your question is profound and has a lot of complicated layers to it.

My first reaction would be that there is already a large body of opinion in Israel who would see the world the way you just enunciated it. They can't get the vote.

Tonight we are going to know whether or not Mr. Perez can form a narrow coalition, and that depends on his bargaining with members of the body politic, to use your words, that don't necessarily see the world the same way. So that, in itself, may put some constraints on Mr. Perez' own views of conducting foreign policy. But he has already declared that the first thing he would do is go to Cairo to meet with President Mubarak and his advisors and hopefully Secretary of State Baker.

My second answer to your question has to do with the Israeli perception throughout that body politic of its neighborhood. You can start a dialogue with Palestinians, and I believe in 1990 there will be a dialogue for the first time ever. Somehow or another there will be. That doesn't mean you will change the foreign policy outlook of the rulers of Syria, Iraq, and Libya—particularly, as I indicated in my prepared remarks, coming out of Baghdad these days those remarks are not confidence-making, they are confidence-eroding.

That basically is my last point. There has to be some kind of confidence-building within Israeli society created by Palestinians that they want to live and co-exist together. Certainly there are a lot of remarks in all of those societies that we here don't exactly like hearing, but I think the Israelis have to get their political consensus together and, second, they have to believe that whomever they deal with in the Palestinian world will give up the military aim of liquidating Israel.

There is a fear factor that you can't touch, but it is certainly there. It is everywhere.

Mr. **Obey**. Okay. Thank you very much.

Mr. **Dine**. Thank you.

Wednesday, April 4, 1990.

AMERICAN TASK FORCE FOR LEBANON

WITNESS

TANYA RAHALL, EXECUTIVE DIRECTOR

Mr. **Obey**. Now we will hear from Tanya Rahall of the American Task Force for Lebanon.

Good morning.

Ms. **Rahall**. Good morning, Mr. Chairman.

First of all, off the record, I would like to say that I was at a breakfast this morning for my brother, Congressman Nick Rahall, and I was standing in a group and there were several staffers. I mentioned that I was coming here to testify and there was dead silence. I just want to say that I hope you don't hold yesterday's floor activities against me because I don't feel the same way. I am no longer from West Virginia. [Laughter.]

Mr. **Obey**. No, no. There was only one amendment and one author to which the House had virtually universal disdain, and Rahall was not the one.

Ms. **Rahall**. I'm glad.

I am Tanya Rahall. I am Executive Director of the American Task Force for Lebanon here in Washington, D.C.

The Task Force is an organization whose goal is to heighten awareness of the American public and United States Government officials and policy makers to the plight of the Lebanese people. We are a group of over 100 prominent Americans of Lebanese heritage from all backgrounds and religions.

We do not take sides in the struggle in Lebanon but rather hope that by our own inter-faith cooperation and consensus we can set an example for the Lebanese to follow.

Our members comprise not only all religious groups in Lebanon, but also a prominent roster of American talent in business, law, medicine, and the arts, as well as officials in high public office, including three Members of Congress.

Recently we had the opportunity to meet with Governor Sununu in the White House, along with our chairman, Peter J. Tanous, and Vice Chairman, Doctor Joseph Jacobs. We had a wide-ranging discussion about the problems in Lebanon and came away with the strong impression that the fate of Lebanon and the Lebanese people is of deep concern to the Administration.

Indeed, the people of Lebanon are suffering as perhaps few people have suffered in history. A war which has lasted for 16 years defies both logic and morality and, as always, it is the people who suffer.

We believe that there is still hope for Lebanon and that diplomatic efforts are underway which may finally bring the unbearable conflict to an end.

But, in the meantime, there is urgent need for assistance to the beleaguered citizens who are innocent victims of the violence. Today, as a result of the relentless fighting, large parts of Lebanon are without water, electricity, or adequate food supplies.

The Lebanese pound, which stood at 12 to the dollar a few years ago, is today over 500 to one dollar. This has put the price of needed imports of food and commodities completely out of reach for most Lebanese. Never have the Lebanese needed more help than they do now, but they are a proud people and it hurts to ask.

Lebanon is the oldest democracy in the Middle East and a longstanding ally of the United States. Our government has a proud history of support and aid to the needy around the world, and today the need in Lebanon is great. But often this question is raised: how can we be sure that our aid is being distributed, not only equitably, but at all? In a country where chaos is endemic, what assurances do we have that the needy will receive the intended aid?

Fortunately, the recent history of aid distribution to Lebanon through PVOs is encouraging and even heroic. Organizations such as Save the Children, Catholic Relief Services, Caritas, the Lebanese Red Cross, and others have been successful in channeling desperately needed food and supplies directly to individuals in all parts of Lebanon. Officials at AID can no doubt attest to the efforts and effectiveness of these organizations. The American Task Force for Lebanon also supports aid to the educational institutions such as AUB, BUC, and IC.

In addition, because of the current crisis in Lebanon, interest on the foreign military loans to Lebanon are unable to be paid—the interest on those loans I believe is $40 million or $50 million. It has been a practice in the past to forgive the loans to certain countries who are experiencing devastating economic situations, and we would ask the same for Lebanon.

Last year, a bill introduced by Representative Mary Rose Oakar and supported by the Foreign Affairs Authorizing Subcommittee chairman, as well as the full committee chairman and the House leadership, earmarked $7.5 million for relief and rehabilitation assistance to Lebanon. We want to thank you, Mr. Chairman, for approving these desperately needed funds for Lebanon. This year the Administration is recommending only $1 million in humanitarian assistance for Lebanon. Meanwhile, the suffering has increased and the need has become greater.

We respectfully recommend that the subcommittee consider a minimum of $10 million in humanitarian assistance for Lebanon. We believe this request to be modest, given the needs, and realistic, given the overall commitment to foreign aid by our government. Indeed, $10 million may be a pittance in our overall foreign aid budget, but that amount may well assure the survival of hundreds, if not thousands, of Lebanese citizens.

Mr. Chairman, the war in Lebanon will end one day. When the country rises from the ashes, we know that the Lebanese people will remember that Americans cared, that Americans helped, and that Americans did not let them down in the depths of their tragedy.

Thank you very much, Mr. Chairman, for the opportunity to speak this morning.

[The prepared statement of Ms. Rahall follows:]

Testimony
of
Tanya Rahall
Executive Director
American Task Force for Lebanon
before the
House Appropriations Subcommittee
on Foreign Operations
April 4, 1990

I am Tanya Rahall, Executive Director of the American Task Force for Lebanon, here in Washington, D.C. The Task Force is an organization whose goal is to heighten awareness of the American public and United States government officials and policy makers to the plight of the Lebanese people. We are a group of over 100 prominent Americans of Lebanese heritage from all backgrounds and religions. We do not take sides in the struggle in Lebanon but rather hope that by our own interfaith cooperation and consensus, we can set an example for the Lebanese to follow. Our members comprise not only all religious groups in Lebanon, but also a prominent roster of American talent in business, law, medicine and the arts, as well as officials in high public office, including three members of Congress.

Recently, I had the opportunity to meet with Governor Sununu in the White House, along with our chairman, Peter Tanous and Vice Chairman Dr. Joseph Jacobs. We had a wide-ranging discussion about the problems in Lebanon and came away with a strong impression that the fate of Lebanon and the Lebanese people is of deep concern to the administration.

Indeed, the people of Lebanon are suffering as perhaps few people have suffered in history. A war which has lasted for 16 years defies both logic and morality and as always, it is the people who suffer. We believe that there is still hope for Lebanon and that diplomatic efforts are underway which may finally bring the unbearable conflict to an end. But in the meantime, there is urgent need for assistance to the beleaguered citizens who are innocent victims of the violence. Today, as a result of the relentless fighting, large parts of Lebanon are without water, electricity, or adequate food supplies. The Lebanese pound, which stood at 12 to the dollar a few years ago, is today over 500 to one dollar. This has put the price of needed imports of food and commodities completely out of reach for most Lebanese. Never have the Lebanese needed more help than they do now. But they are a proud people, and it hurts to ask.

Lebanon is the oldest democracy in the Middle East and a long-standing ally of the United States. Our government has a proud history of support and aid to the needy around the world and today the need in Lebanon is great. But often, this question is raised: How can we be sure that our aid is being distributed, not only equitably, but at all? In a country where chaos is endemic, what assurances do we have that the needy will receive the intended aid? Fortunately, the recent history of aid distribution to Lebanon through PVO's is encouraging, and even heroic. Organizations such as Save the Children, Catholic Relief Service, CARITAS, and the Lebanese Red Cross have been successful in channeling desperately needed food and supplies directly to individuals in all parts of Lebanon. Officials at A.I.D. can no doubt attest to the efforts and effectiveness of these organizations. The ATFL also supports aid to the educational institutions, such as AUB, BUC, and IC.

In addition, because of the current crisis in Lebanon, the interest on foreign military loans to Lebanon are unable to be paid -- the interest on those loans I believe is $40 million or $50 million. It has been a practice in the past to forgive the loans to certain countries who are experiencing devastating economic situations, and we would ask the same for Lebanon.

Last year, a bill introduced by Representative Mary Rose Oakar and supported by the Foreign Affairs authorizing subcommittee and full committee chairmen, as well as the House leadership, earmarked $7 1/2 million for relief and rehabilitation assistance to Lebanon. We want to thank you, Mr. Chairman, for approving these desperately needed funds for Lebanon. This year, the administration is recommending only $1 million in humanitarian assistance for Lebanon. Meanwhile, the suffering has increased and the need has never been greater.

We respectfully recommend that the Subcommittee consider a minimum of $10 million in humanitarian assistance for Lebanon. We believe this request to be modest, given the needs, and realistic, given the overall commitments to foreign aid by our government. Indeed, $10 million may be a pittance in our overall foreign aid budget, but that amount may well assure the survival of hundreds, if not thousands, of Lebanese citizens. Mr. Chairman, the war in Lebanon will end one day. When the country rises from the ashes, we know that the Lebanese people will remember that Americans cared, that Americans helped, that Americans did not let them down in the depths of their tragedy.

Mr. OBEY. Thank you very much. We appreciate you coming.

Ms. RAHALL. Thank you.

WEDNESDAY, APRIL 4, 1990.

THE POPULATION INSTITUTE

WITNESS

WERNER FORNOS, PRESIDENT

Mr. OBEY. Next we will hear from Werner Fornos, President of the Population Institute.

Mr. FORNOS. We have a population problem in this room. [Laughter.]

Mr. Good morning, Mr. Chairman.

Mr. OBEY. We have either got to get smaller people or a bigger room. [Laughter.]

Mr. FORNOS. I have a present for you, and I hope that you will push WP on this little calculator.

Mr. OBEY. I don't know if I ought to do this.

Mr. FORNOS. It will tell you the time of this testimony and the world's population at this point. However, when the Japanese conceived this little gadget they didn't realize it was going to be 10 percent off within two years. So at this point you will find probably a population of what?

Mr. OBEY. It is 5,270,000,000.

Mr. FORNOS. It is already at 5.3, so that kind of problem.

When you push the country button at the bottom—there is another button right underneath W—you can go to any nation in the world and find out what the population is at this point, given 10 percent more or less. Even when you go to the USA you will find they are off. We are at 250,000,000 now, and the calculator has not accounted for that 10 percent slippage in two years. But that is how long it took state-of-the-art technology to invent this thing, and so you have to always put that in.

Mr. Chairman, I am Werner Fornos, the President of the Population Institute, an international strategic educational organization with a network of some 60,000 individuals in the United States committed to a more equitable balance between the world's population, its environment, and its resources.

With me is Debra Dowden, who is going to flash some charts because 1,000 words can be spoken by these charts rather than my limited five minutes that you have granted me today. I hope to deflect your attention to her and we can get some more information to you.

Human numbers today stand at 5.3 billion. Global population rose last year by an unprecedented 93 million, with 85 million of the increase occurring in the poorest countries of the world.

This march of the numbers need not continue unabated. Some 500 million women in the world today need and want family planning but lack access to it. In 60 percent of the developing world, half of the population does not have access to family planning. Of Latin American families who are not planning their families, 75 percent would like to do so. That figure is 43 percent in Asia and 27 percent in Africa.

In Africa, the percentage doubtless would be much higher were it not for the fact that in ten African countries 90 percent of the women have not heard of a single method of contraception. Since the concept of birth control does not exist to them, naturally they have no way of understanding that women have alternatives.

According to the World Health Organization, 500,000 women die each year during pregnancy and child birth. Of these, 200,000 could be saved if they were able to plan their families. According to UNICEF, 14 million children under the age of five die each year. One-third of these could be saved if their mothers were able to allow appropriate two-year intervals between pregnancies.

One thing that Liv Ullman could have told you this morning in her very potent testimony is that, according to Jim Gram, head of UNICEF, "High child death rates mean high birth rates and rapid population growth."

H.R. 4075 is a piece of legislation that has been introduced into this session of the 101st Congress. It is co-sponsored currently by 100 Members of the U.S. House of Representatives, and it would reverse the United States Government's long retreat from reality on international population assistance. This legislation is also endorsed by the National Committee for an Effective Congress, the American Association of University Women, the American Jewish Congress, the Unitarian Universalist Association, the United Methodist Church, the American Public Health Association, the Friends Committee on National Legislation, Zero Population Growth, Congressman Solarz, the National Women's Political Caucus, Planned Parenthood of America, and the Sierra Club.

This legislation provides a $500 million authorization for population aid to the developing world for fiscal year 1991. Now, I know some eyebrows are going to be raised at a recommendation to more than double the current appropriation. The Administration claims the budget for population aid overseas this year is approximately $250 million. But this is a serious, rational, and reasonable request.

The question arises as to where we will find sufficient funds to cover a $250 million increase in the population budget. With the cold war winding down, certainly we can afford a larger portion than $2.5 billion of a $14.9 billion international aid budget for development assistance. Surely as the threat of world domination by communist forces wanes, the United States should be preparing to rid itself of huge armament outlays and redirect these funds to the issues that may determine our very survival. Surely, within the $5.6 billion military assistance request that the Administration has given us, we can find an additional $250 million in aid for population issues—aid that saves lives and enhances the ability of developing countries to achieve their development goals.

H.R. 4075 would also restore funding for the United Nations population fund by earmarking $60 million or 16 percent of the U.S. population assistance budget—whichever is less—to UNFPA. The bill prohibits any of the U.S. contribution to UNFPA from going to the Chinese national family planning program. It stipulates that if any U.S. dollars were found to be trickling into the Chinese program, the entire U.S. contribution would then be forfeited by UNFPA back to the U.S. Government.

Now, if these guarantees are still insufficient for White House Approval, Congress could go further yet by specifying that the entire U.S. contribution to UNFPA be used only in Africa, Central America, and Eastern Europe. If the human condition is to be brought to a level where fundamental human needs of all are met, we must achieve population stabilization; therefore, family planning assistance must have a high priority on resources gradually released by a world moving away from its long and wasteful preoccupation with mutual destruction and toward a better quality of life for all.

Mr. Chairman, time is not on our side. Three billion young people will enter their reproductive years in this coming generation. That is equal to the entire population of the planet in 1960. These alarming statistics serve as a potent symbol for those who cherish human life to get involved in the global expansion of family planning.

I appreciate your hearing me, and I hope that my testimony as has been presented will be entered in the record.

[The prepared statement of Mr. Fornos follows:]

THE POPULATION INSTITUTE

110 Maryland Avenue NE
Washington DC 20002
(202) 544-3300

OFFICERS AND DIRECTORS

PRESIDENT
Werner Fornos

Stephen Keese, *Chair*
Rodney Shaw, *Honorary Chair*
John Karefa-Smart, M.D., *Vice Chair*
Jack Brandenburg, *Treasurer*
Joyce W. Cramer, Secretary
Marguerite Barnes
H.E. Anwarul Karim Chowdhury
Dr. Betty Cogswell
Joan Kraus Collins
Robert Gillespie
Joel Johnson
Ann D. Jordan
Hon. Peter Kostmayer
Esther Lyndon
John McBride
Thomas D. McCloskey, Jr.
Louise W. Moore
Victor Morgan
Anjum Niaz
Patricia Nielsen
Marschal D. Rothe, Jr.
Nathan Schafer
Lindy Williams, Ph.D.
Penelope Wood

PUBLIC POLICY ADVISORY COMMITTEE

Russell Hemenway, *Chair*
Hon. Chet Atkins
Kenneth T. Blaylock
Hon. Barbara Boxer
Joan Kraus Collins
Hon. Silvio Conte
Dorothy Cullman
Sarah G. Epstein
Kimball Faulkner
Hon. Edward F. Feighan
Hon. Sam Gejdenson
Hon. William H. Gray III
Hon. Bill Green
Jack R. Howard
Hon. Daniel Inouye
Joel Johnson
John Karefa-Smart, M.D.
Miriam H. Keare
Hon. Henry L. Kimelman
Hon. Peter Kostmayer
Hon. Jim Leach
Hon. William Lehman
Hon. Jim Moody
Stewart R. Mott
Hon. John E. Porter
Hon. Claudine Schneider
Dr. Glenn T. Seaborg
Hon. Paul Simon
Hon. Steve Solarz
Margaret Strahl, M.D.
Hon. Robert Torricelli
Russell E. Train
Ted Turner
Hon. Morris Udall
Dr. James D. Watson
Hon. Howard Wolpe
Penelope Wood

TESTIMONY

OF

WERNER H. FORNOS
PRESIDENT OF THE POPULATION INSTITUTE

FOREIGN OPERATIONS SUBCOMMITTEE

OF

THE U.S. HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE

APRIL 4, 1990

Mr. Chairman, I am Werner Fornos, the president of the Population Institute, a non-profit, public interest group with a network of some 60,000 individuals in the United States committed to a more equitable balance between the world's population, its environment, and its resources.

Last November, representatives of some 80 countries met in Amsterdam to discuss international population initiatives for the 21st century. One especially important message that emerged from this meeting was how deeply critical this decade will be. What we do or fail to do in the 1990s will to a large extent determine the ultimate size of world population.

If this is true --- and there is convincing evidence that it is --- ignoring population growth in these closing years of the 20th century may be the ultimate blunder, one from which there may be no recovery.

A reasonable question would be: what difference can it possibly make whether global population levels off at nine billion, fourteen billion, twenty billion, or possibly more?

The difference is in the availability of food, water, jobs, basic resources and basic services. In some regions, the number of people that can be accommodated will mean differences in the quality of life. In others, it will mean the difference between life and death.

Human numbers today stand at 5.3 billion. Global population rose last year by an unprecedented 93 million with 85 million of the increase occurring in the poorest countries of the world.

This march of the numbers need not continue unabated. Many of us have failed to either recognize or comprehend that some 500 million women in the world today need and want family planning but lack access to it.

In 60 per cent of the developing world, half of the population does not have access to family planning. Seventy-five per cent of Latin American families who are not planning their families would like to do so. That figure is 43 per cent in Asia and 27 per cent in Africa.

In Africa, the percentage doubtless would be much higher were it not for the fact that in 10 African countries, 90 per cent of the women have not heard of a single method of contraception. Since the concept of birth control does not exist for them, naturally they have no way of understanding that women have alternatives.

Pregnancy, of course, involves risks. In the poorer countries of the world, the risks are often quite high. These are the very regions where virtually all world population growth occurs. These are the very regions that will absorb the increase in human numbers worldwide through the foreseeable future.

Five hundred thousand women die each year during pregnancy and childbirth, according to the World Health Organization. Two hundred thousand of these could be saved if they were able to plan their families. Fourteen million children under the age of five die each year, according to UNICEF. One-third of these could be saved if their mothers were able to allow appropriate two-year intervals between pregnancies. According to Jim Grant, head of UNICEF, "High child death rates mean high birth rates and rapid population growth.

It is crystal clear that there is not only a difference but a vast difference between a world of nine billion and a world of 20 billion or more. Reputable scientists and environmentalists declare with absolute certainty that even a doubling of today's 5.3 billion population will tax the carrying capacity of this planet beyond sustainability. Others remind us that in the darkest moments throughout the world history, human ingenuity has time and again risen to the occasion to rescue us from the seeming inevitability of a dire destiny.

I have tremendous faith inhuman ingenuity and I also believe in the power of prayer. But, while I am by nature an optimist, I am also realistic enough to know that the inventiveness of the human mind does not solve every problem, that prayers are not always answered. Furthermore, in terms of rapid population growth, the stakes in human misery and deprivation and the stakes in human lives are too high to rely solely on miracles. It is time to act.

For more than 20 years, the United States was the acknowledged industrialized world leader in international population assistance. U.S. leaders were among the first to argue convincingly that a poor nation with a high fertility rate is unlikely to achieve its development goals unless it reduces its population growth.

But some five or six years ago, the United States government ceased its contributions to the U.N. Population Fund, the largest multilateral organization providing population and family planning services to developing countries. Our rationale was that the U.N. agency supported the Chinese national family planning program, which allegedly promoted or condoned forced abortions. Keep in mind the agency was never accused of participating in forced abortions; money from the agency was never found to pay for a forced abortion. But the United States cut off funds to UFNPA because it provides maternal, child health and contraceptive technology assistance to the family planning program of a government program that allegedly condones or promotes forced abortions.

Now, Mr. Chairman, I, for one, am somewhat curious as to why such United States allies as Canada, Great Britain, West Germany, Japan, Denmark, Sweden, Norway and Israel all continue to support UNFPA. These countries have had fully seven years to study the Chinese program and make individual determinations on whether or not coercive abortions exist as part and parcel of that program. Not one of these countries has reached such a conclusion. Not for one second, Mr. Chairman, do I believe the governments of the countries I just named support coercive abortions. I would suggest, Mr. Chairman, that the United States government has been taken in by a cruel hoax perpetrated by a pack of ideologues and zealots who claim to support the right to life but have demonstrated absolutely no concern about the rights of life of some 200,000 women and five million children annually.

H.R. 4075 *(see Attachment A)*, cosponsored currently by 109 members of the U.S. House of Representatives, would reverse the United States government's long retreat from reality on international population assistance. This legislation is also endorsed by the American Jewish Congress, the Unitarian Universalist Association, the United Methodist Church - General Board of Church and Society, the American Public Health Association, the Friends Committee on National Legislation, the National Women's Political Caucus, Planned Parenthood of America, and the Sierra Club.

This legislation provides a $500 million appropriation for population aid to the developing world for Fiscal Year 1991. I know some eyebrows will jump at a recommendation to more than double a current appropriation (the Administration claims the budget for population aid overseas this year is approximately $250 million). But this is a serious, rational and reasonable request. At the Amsterdam conference I mentioned at the beginning of my testimony, it was concluded that in order to stabilize global population at under 10 billion rather than at 14 billion or more, total population assistance to developing countries must increase from the present $4.5 billion to $9 billion by the end of this century.

The facts are clear enough and the choice is ours.

The question arises as to where we will find sufficient funds to cover a $250 million increase in the population budget.

With the Cold War winding down, certainly we can afford a larger portion than $2.5 billion of a $14.9 billion international aid budget for development assistance. Surely, as the threat of world domination by communist forces wanes, the United States should be preparing to rid itself of huge armament outlays and redirect these funds to the issues that may determine our very survival. Surely, within the $5.6 billion proposal for military assistance in the U.S. foreign aid budget, an additional $250 million can be found to save lives and enhance the ability of developing countries to achieve their development goals.

H.R. 4075 would restore funding to the United Nations Population Fund by earmarking $60 million or 16 per cent of the U.S. population assistance budget, whichever is less, to UNFPA. The bill prohibits any of the U.S. contribution to UNFPA from going to the Chinese national family planning program. It stipulates that if any U.S. dollars were found to be trickling into the Chinese program, the entire U.S. contribution would then be forfeited by UNFPA back to the U.S. government.

If these guarantees are still insufficient for White House approval, Congress could go further yet by specifying that the entire U.S. contribution to UNFPA be used only in Africa, Central America, and Eastern Europe. Eastern European countries such as Romania have been subjected to despotic pronatalist policies.

For instance, Romania formerly enforced Nicolae Ceausescu's efforts to increase the country's population from 19 million in 1965 to 30 million by the year 2000 through such brutal tactics as inspections by so-called "menstrual police and subjecting women who did not become pregnant to a celibacy tax." Contraceptives were restricted primarily to women over 40 because of their lower fertility and the odds against their having so-called "quality babies," and those who had delivered at least four live births -- which was subsequently raised to five.

The House Foreign Affairs Committee, in its supplemental authorizing legislation, has earmarked $1 million for Romania for family planning assistance to be divided between programs of the U.N. Population Fund and the International Planned Parenthood Federation. These funds are to come from any specifically appropriated for that country.

In Central America, women of Guatemala, Honduras and Nicaragua average five and a half children, though the per capita Gross National Product for each of the three countries is below $1,000 per year. With five of the eight nations of Central America projected to double their populations within 26 years or less, clearly there will be little if any development progress until fertility rates can be lowered.

The situation in Central America is so delicately balanced that a country such as Mexico, where the growth rate had taken a dramatic downturn a few years back --- dropping from more than 3 per cent per annum to around 2.4 per cent --- appears to be heading upward again.

A letter to Acting AID Administrator Mark Edelman from the House Majority Leader and eight other members of Congress asserted that the gains in Mexico's program are now "jeopardized by recent AID steps to reduce funding levels for the contraceptive supplies which Mexican agencies need to implement their family planning programs."

They added: "While we agree that AID is faced with difficult choices in these days of tight funding, we must also note that joint U.S. and Mexican interests are inextricably linked in the population area. Indeed we can think of no other activity in which U.S. support for Mexico produces returns of such significant mutual benefit as they do in family planning." *(See Attachment B)*

Finally, Africa has been viewed as a demographic basket-case. It is the fastest-growing region of the world as the chart *(see Attachment C)* demonstrates, with some countries expected to experience truly mind-boggling growth between now and the year 2025.

The far left bar at the bottom of the chart shows that Nigeria, already the most populous country in Africa, will triple its population to nearly 340 million by the year 2025. Ethiopia will soar from 48.7 million people to 122.3 million during that time frame; Zaire, from 33.8 million to 90.1 million; Kenya, from 24.4 million to 82.9 million; Sudan, from 24.2 million to 55.4 million; Uganda, from 17.8 million to 55.2 million; Ghana, from 15.5 million to 47 million.

It is a fair question to ask why the United States Congress would want to take up legislation which echoes a bill that the President vetoed just six months ago. The answer is: it is not the function of the Congress to anticipate what the President might or might not do with any given piece of legislation. It is the job of Congress to approve responsible legislation and the restoration of funds for UNFPA is as responsible today as it was five months ago when the House of Representatives voted 244-178 to do so.

Effective methods of planning births are now being used by approximately 50 per cent of all couples of child-bearing age --- up from only 15-20 per cent in the 1960s. According to the World Bank, in order for a country to stabilize its population, 72 per cent of child-bearing couples must adopt family planning.

To achieve this 72 per cent objective, the developing world desperately needs the help of the more affluent industrialized countries, who must increase their assistance from the current $600 million to $2.5 billion by the end of this century. Putting this into perspective, $2.5 billion is equal to:

--- As much as the Soviet Union spends monthly on vodka;
--- As much as the tobacco industry spends annually to advertise cigarettes;
--- As much as the whole world spends on the military every day.

Furthermore, the authoritative World Fertility Survey, conducted by the International Statistical Institute based in The Hague, suggests that if only those women in the world who do not want to become pregnant could exercise that choice, population growth in the developing world would decline by approximately 30 per cent. This would translate into a reduction of population growth by 27.9 million people per year.

If the human condition is to be brought to a level where fundamental human needs of all are met, we must achieve population stabilization. Therefore, family planning assistance must have a high priority on resources gradually released by a world moving away from its long and wasteful preoccupation with mutual destruction and toward a better quality of life for all.

Mr. Chairman, time is not on our side. Three billion young people will enter their reproductive years in this coming generation. That's equal to the entire population of this planet in only 1960. These alarming statistics serve as a potent symbol for those who cherish human life to get involved in the global expansion of family planning.

101st CONGRESS
2d Session

H. R. 4075

To authorize increased funding for international population assistance and to provide for a United States contribution to the United Nations Population Fund.

IN THE HOUSE OF REPRESENTATIVES

February 22, 1990

Mr. Kostmayer (for himself, Ms. Schneider, Mr. Atkins, Mr. AuCoin, Mr. Bates, Mr. Beilenson, Mr. Berman, Mr. Boehlert, Mr. Boucher, Mrs. Boxer, Mr. Bryant, Mrs. Collins, Mr. Crockett, Mr. Dellums, Mr. Durbin, Mr. Dymally, Mr. Engel, Mr. Frank, Mr. Frenzel, Mr. Gejdenson, Mr. Gonzalez, Mr. Gray, Mr. Green, Mr. Kastenmeier, Mr. Levine of California, Mrs. Lowey of New York, Mr. Machtley, Mr. Markey, Mr. Matsui, Mr. McDermott, Mr. McHugh, Mr. Miller of California, Mr. Moody, Mrs. Morella, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Payne of New Jersey, Ms. Pelosi, Mr. Porter, Mr. Sabo, Mrs. Saiki, Mr. Scheuer, Mrs. Schroeder, Mr. Solarz, Mr. Stark, Mr. Swift, Mr. Torricelli, Mr. Towns, Mr. Udall, Mrs. Unsoeld, Mr. Waxman, Mr. Weiss, Mr. Wilson, Mr. Wyden, Mr. Ackerman, Mr. Dixon, Mr. Campbell of California, Mr. Lewis of Georgia, Mr. Panetta, Mr. Johnston of Florida, Mr. Studds, Mr. Fauntroy, Mr. Conyers, Mr. Yates, Mr. Martinez, Mr. Brown of California, Mr. Foglietta, Mr. Feighan, Mr. Bosco, Mr. Lehman of Florida, Mr. Torres, Mr. Lehman of California, Mr. Schumer, Mrs. Johnson of Connecticut, Mr. Levin of Michigan, Mrs. Roukema, Mr. Shays, Mr. Kennedy, Mr. Owens of New York, Mr. Cardin, and Mr. Lantos) introduced the following bill; which was referred to the Committee on Foreign Affairs

---

A BILL

To authorize increased funding for international population assistance and to provide for a United States contribution to the United Nations Population Fund.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Voluntary Family Planning Assistance Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the population of the world exceeds 5 billion and is growing at an unprecedented rate of approximately 90 million per year;

(2) the vast majority of this growth is occurring in the poorest countries, those least able to provide even the most basic services for their citizens;

(3) the demands of growing populations have contributed substantially to environmental devastation, famine, economic stagnation, and political and social instability;

(4) the global community has for more than 20 years recognized that it is a fundamental human right for people to voluntarily and responsibly determine the number and spacing of their children, and the United States has been a leading advocate of this right;

(5) the World Bank estimates that an average fertility rate of 2.4 children per woman, the rate needed for eventual population stabilization at present death

rates, could be achieved by the year 2000 if the proportion of couples in developing countries using contraception were to rise from the current rate of 40 percent to 72 percent; and

(6) these population goals can be accomplished through a mix of bilateral and international population assistance to make family planning services universally available on a voluntary basis in order to slow the rate of population growth and therefore reduce pressures on global resources.

SEC. 3. PURPOSE.

The purpose of this Act is to significantly increase funding for investments in international family planning information, contraceptive research, and services to ensure universal access to effective modern contraception.

SEC. 4. ASSISTANCE FOR INTERNATIONAL POPULATION PLANNING.

(a) Authorization of Appropriations.—There is authorized to be appropriated $500,000,000 for fiscal year 1991 to carry out section 104(b) of the Foreign Assistance Act of 1961 (relating to development assistance for population planning), including appropriations for that purpose under the heading "SUB-SAHARAN AFRICA, DEVELOPMENT ASSISTANCE".

(b) FUNDING FOR UNFPA.—Of the funds appropriated under subsection (a), not less than 16 percent or $60,000,000, whichever amount is less, shall be available only for the United Nations Population Fund, subject to the following conditions:

(1) The United Nations Population Fund shall be required to maintain these funds in a separate account and not commingle them with any other funds.

(2) None of these funds shall be made available for programs for the People's Republic of China.

(3) Any agreement entered into by the United States and the United Nations Population Fund to obligate these funds shall expressly state that the full amount granted by such agreement will be refunded to the United States if any United States funds are used for any family planning programs in the People's Republic of China or for abortions in any country.

(c) RESTRICTIONS.—None of the funds appropriated under subsection (a) may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions. In order to reduce reliance on abortion in developing nations, those funds shall be available only for voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services.

Congreſs of the United States
Washington, DC 20515

February 5, 1990

The Honorable Mark L. Edelman
Acting Administrator
A/A.I.D., Room 5942
Agency for International Development
Washington, D.C. 20523-0001

Dear Mr. Edelman,

In the course of a recent visit to Mexico, one member of our party had an opportunity to observe some family planning and health activities supported by A.I.D. in that country. We all had the opportunity to discuss the family planning program with Mexican officials.

It was clear from the observation of the Member and a staff assistant, that A.I.D. can be justly proud of its role over the past several years in helping Mexican Government and private agencies develop an expansive, culturally sensitive family planning program. We share the concern of Mexican officials, however, that these gains are now being jeopardized by recent A.I.D. steps to reduce funding levels for the contraceptive supplies which Mexican agencies need to implement for their family planning programs.

Your A.I.D. Representative in Mexico, Jerry Bowers, reported that these reductions were due to severe shortages in A.I.D.'s overall population account, and A.I.D.'s consequent need to apportion scarce resources among several high-priority countries. While we agree that A.I.D. is faced with difficult choices in these days of tight funding, we must also note that joint U.S. and Mexican interests are inextricably linked in the population area. Indeed we can think of no other activity in which U.S. support for Mexico produces returns of such significant mutual benefit as they do in family planning.

We would be grateful if you would look into this issue at your earliest convenience to ensure that A.I.D. provides sufficient contraceptives to meet Mexico's needs. We view this issue as of the highest priority.

Sincerely,

Kika de la Garza, Chairman

Richard A. Gephardt
Richard A. Gephardt, Majority Leader

Ronald D. Coleman, M.C.

Sam Gedjenson, M.C.

Lawrence J. Smith, M.C.

Peter Hoagland, M.C.

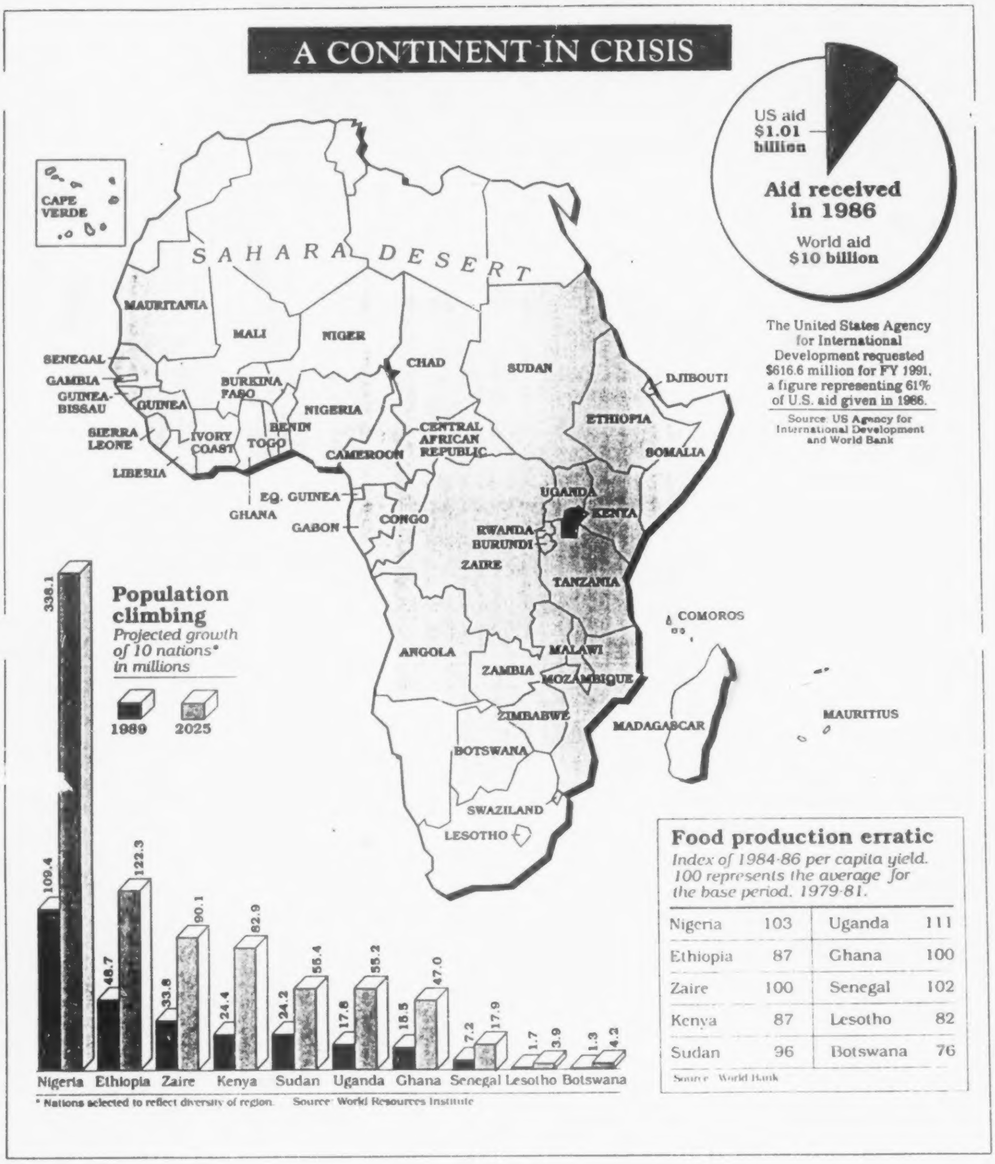
Solomon P. Ortiz, M.C.

Bill Richardson

Bill Richardson, M.C.

Albert G. Bustamante, M.C.

A CONTINENT IN CRISIS


CAPE VERDE
SAHARA DESERT
MAURITANIA
MALI
NIGER
CHAD
SUDAN
SENEGAL
GAMBIA
GUINEA-BISSAU
GUINEA
SIERRA LEONE
LIBERIA
IVORY COAST
GHANA
BURKINA FASO
TOGO
BENIN
NIGERIA
CAMEROON
CENTRAL AFRICAN REPUBLIC
DJIBOUTI
ETHIOPIA
SOMALIA
EQ. GUINEA
GABON
CONGO
UGANDA
KENYA
RWANDA
BURUNDI
ZAIRE
TANZANIA
COMOROS
ANGOLA
ZAMBIA
MALAWI
MOZAMBIQUE
ZIMBABWE
MADAGASCAR
MAURITIUS
BOTSWANA
SWAZILAND
LESOTHO
US aid $1.01 billion
World aid $10 billion
1989
2025
338.1
109.4
122.3
48.7
90.1
33.8
82.9
24.4
55.4
24.2
55.2
17.8
47.0
15.5
17.9
7.2
3.9
1.7
4.2
1.3
Nigeria
Ethiopia
Zaire
Kenya
Sudan
Uganda
Ghana
Senegal
Lesotho
Botswana

Aid received in 1986

The United States Agency for International Development requested $616.6 million for FY 1991, a figure representing 61% of U.S. aid given in 1986.

Source: US Agency for International Development and World Bank

Population climbing

Projected growth of 10 nations in millions*

* Nations selected to reflect diversity of region. Source: World Resources Institute

Food production erratic

Index of 1984-86 per capita yield. 100 represents the average for the base period, 1979-81.

Nigeria	103	Uganda	111
Ethiopia	87	Ghana	100
Zaire	100	Senegal	102
Kenya	87	Lesotho	82
Sudan	96	Botswana	76

Source: World Bank

THE POPULATION INSTITUTE

Mr. **Obey**. Thank you very much.

I simply have to say that I think the Administration's decision to veto the Pelosi bill with respect to China certainly discredits the Administration's position that it is going to continue to penalize the United Nations' program for the actions of China. The Administration's concern about China is extremely selected and quaint.

Mr. **Fornos**. More importantly, Mr. Chairman, it is better, if you are going to deal with an evil empire and trade them F-8 fighter jets, I think it is easier to trade them condoms.

Mr. **Obey**. I haven't seen any rising public demand for that. [Laughter.]

Mr. **Fornos**. Interesting. Even in psychedelic colors.

Mr. **Obey**. I thank you very much.

Mr. **Fornos**. Thank you, Mr. Chairman.

Mr. **Obey**. Steve, did you want to wait until Howard gets here?

Mr. **Solarz**. I can wait a few minutes. Whichever you prefer.

Mr. **Obey**. Whatever you prefer.

Mr. **Solarz**. I will wait.

Wednesday, April 4, 1990.

AMERICAN UNIVERSITY OF BEIRUT

WITNESS

FREDEROC HERTER, PRESIDENT

Mr. **Obey**. Next we will hear from Frederoc Herter, President of the American University of Beirut.

Good morning.

Mr. **Herter**. Good morning.

Mr. Chairman, I thought I would bring you up to date on where our university is after this somewhat disastrous year in Lebanon.

As you probably know, at the end of March the shelling was so intense that, in deference to the safety of faculty and students, we closed most of the university. The medical school stayed open, the hospital stayed open, and I may say that throughout the worst of the shelling the hospital really held what was left of West Beirut together. We took care of about 80 percent of all the casualties in West Beirut.

On October 9th, after the last and what appeared to be the most promising of the Arab League peace initiatives, we reopened. It was a minor miracle, because not only did we have a surfeit of students that came back from all over the land, but our entire full-time faculty, which had been in diaspora throughout the world, returned. It was really a remarkable show.

We were not totally immune to the environment during this past year, and 85 shells—we think by inadvertence—landed on the campus and inflicted maybe $1 million worth of damage to our physical plant. We lost one of our employees to a shell fragment and had some minor casualties. Compared with the rest of West Beirut, we did very well.

Since that time, since October 9th when the lost second semester of the last academic year was resumed, we have been entirely quiet except for a two-week period recently when there was not enough potable water in West Beirut to sustain a campus full of students and faculty. We did not stop because of the troubles on the East side, but merely because we could not get ample water. We have since drilled four wells. We have ample water at the present time. And we have our own generator, so we have been able to keep the hospital going during that period.

We have an extension program on the East side—on the Christian side—as you know. It has been in operation for 12 years. It started with 30 students who could not cross the line to get to West Beirut, and it gradually rose over the years to almost 1,000 students, predominantly Christian.

We have supported this activity, as we support our activity on the West side, where we have another 1,000 Christian students, as well as 3,000 Muslims.

Because of the Geagea-Aoun conflict of the past two months, that program has had to shut down, as have all institutions on the East side. Recently, we made available to the Christian students who are out of school the campus on the West side—facilities, faculty, programs, and so on. As of yesterday, we were pleased to see that 340 students had crossed over from East to West and had signed up for the second semester on the West side. This is an encouraging note.

Despite the events of the last year, the quality of the education at AUB really has remained relatively undisturbed. We were able to graduate over 1,000 students in mid-January after a shortened second semester make-up period was accomplished. Wherever we can compare standards—and we can do this principally in medicine—our students really are comparable with the best upper echelon of medical schools in this country.

We have a number of new programs, and this seems miraculous, in itself. Engineering has started a new management program on Cyprus, where we now have a small center, an off-shore center where we can get foreign faculty to come. We had a seminar on conflict resolution a month ago—the first of its kind in the Middle East. And our regional programs, which engender about $3 million in contracts each year, are still active throughout the Arab World.

We have several new programs underway—one under the World Bank in Jordan, and one in Yemen.

We recently have entered into an exploratory collaboration with MIT which envisages an academic program directed towards the restoration of Lebanon. It includes the faculties of engineering, obviously, but also the social sciences, education, and public health. This is well underway at the present time. It requires financing, but I think it has promise of benefits to both institutions, but particularly to Lebanon.

As far as funding of the university is concerned, I am happy to say that our budget deficit for this year, instead of being what we projected it to be at $10.5 million in the fall, is now at $5.7 million. This includes $600,000 for war damages to the campus, $500,000 for new housing—which we badly need because we are going to have this influx of students from the East side—and $400,000 for equipment and supplies which we deferred from last year because most of the school was closed.

The actual operating deficit for this year is $4.2 million.

What we are very interested in is not only obtaining ASHA funds that will cover this deficit, but we have talked to AID about this MIT/AUB collaboration. They are interested. They have made no commitments, but we hope that we may obtain $2 million for this purpose.

We certainly encourage this committee to push for an increase in ASHA funds—the ASHA allocation from Congress in the coming year. And we hope that an earmark of another at least $7.5 million for educational and humanitarian activities in Lebanon can take place during this coming year.

[The prepared statement of Mr. Herter follows:]

Statement by
Frederic P. Herter
President
American University of Beirut
Before the Subcommittee on Foreign Operations
U.S. House of Representatives
April 4, 1990

Mr. Chairman, I appreciate the opportunity to appear before you today to update the committee on the status of the American University of Beirut. As you know, the tragic events in Lebanon have been tumultuous these past twelve months, and AUB has not gone unaffected. The remarkable fact is, however, that in spite of almost indescribable hardships, the young people of Lebanon are more eager than ever for an American-style education, and we have a full complement of students enrolled at the university's campus in West Beirut. As always, we are grateful to this committee for its role in sustaining the university through this difficult period.

AUB has served as an intellectual and cultural bridge between the peoples of the Middle East and the West for almost 125 years. By educating both governmental and private-sector leaders of the region, it has contributed significantly to cross-cultural understanding in an interdependent world. The university furthers such fundamental ideals as tolerance for diversity and respect for judgement based on rational analysis. As a consequence, the nations of the Arab World look to it not only for expertise and advice, but also as a model of what higher education should be.

The regional respect for and influence of AUB is an invaluable asset to the United Sates. To counter anti-Americanism in the Middle East it is essential to preserve the intellectual base which sustains the American way of thinking. AUB is virtually the only institution dedicated to American intellectual principles which is broadly respected and accepted throughout the Arab World. United States support of AUB is symbolic of the good America can do in a region where the U.S. is often viewed as an uncertain friend and model.

Experience of the Past Year

During the period of heavy shelling between March and August of last year, AUB suspended its classroom activity until conditions allowed for safe, secure study on the campus in Ras Beirut. The American University Hospital, however, remained open, as did our medical school. AUB's hospital cared for 80% of those wounded in West Beirut during six months of almost uninterrupted artillery bombardment. AUB was the only American institution which remained operational during this intense period of fighting. The hospital has also been quite active in treating the injured from the current fighting within the Christian community in East Beirut. We took special measures to clear 100 beds in our hospital in order to accept casualties transported by the Red Cross from the east side of the city to our location in the western sector. AID's Office of Disaster Assistance has recognized the extreme circumstances faced by residents of Beirut this past year and has acted expeditiously to provide emergency assistance. More than $50,000 in such grants to the university have been used to purchase much needed medical supplies.

The university has not gone physically unaffected by the crisis around it. Our resources have been stretched to the limit and our community has been placed in great danger. One of our employees lost her life. AUB's physical plant also incurred damage in the amount of $1 million. Errant shells landing on the campus shattered windows and damaged parts of several buildings. The hospital even took several direct hits. Considering the destruction around it, however, the campus was relatively spared, and we do not believe that AUB was intentionally targeted.

Within weeks of the signing of the Taif Agreement last September, the university resumed full operations on October 9. All of our faculty returned after the six-month hiatus, and AUB received more student applications for matriculation than ever before. AUB has been open continuously since then, with the exception of two weeks in February due to an interruption of the water supply caused by the fighting in East Beirut. We again resumed classes as soon as new wells could be drilled on campus. To make up for time lost last spring and summer we have intensified our academic schedule. This has allowed us to concentrate the work of three full semesters in a ten-month period. This modified schedule allowed seniors who should have graduated last June to graduate this past December. By next fall we will be back on regular schedule.

The Future At AUB

After hearing all the hardships of keeping this university together in Lebanon, members of this committee must be asking themselves, Is it worth it? Lebanon's problems of political instability make it at first tempting to think a sensible solution might be to shift resources from Lebanon to a relatively less unstable country elsewhere in the region. In other words, Why not move AUB? Unfortunately, it is not so simple.

The practical difficulties of establishing an American university of AUB's preeminence elsewhere in the Middle East are immense. In the first place, the replacement value of AUB's physical plant would be some $600 million. Even more importantly, the quality of a university is measured first and foremost by the stature of its faculty. No university in the world could hope to pack its bags and move to another country without losing an overwhelming percentage of its faculty. Anyone who thinks the situation would be any different with AUB fails to understand the commitment of our faculty to the community which for more than a century has fostered the climate of intellectual freedom which has made the institution great. This attitude of the faculty is closely related to the most important consideration of all. There is very real uncertainty that the university could find elsewhere in the region the degree of academic freedom which at this time still makes a broad-guage education possible in Beirut. Finally, members of this committee know even better than I that political undercurrents in every other country in the Middle East could at any time boil to the surface and sweep away the outward tranquility which now may make them appear more hospitable than Lebanon.

No, moving AUB does not make sense. Though it may be difficult and at times frustrating, it is imperative to continue support for AUB right where it is. Peace and stability will be best brought to the Middle East through firmness of purpose in our nation's commitment to its deepest values. AUB is the unmistakable symbol of those high ideals for the people of the Arab World. How true this is was underscored again by events which began to unfold in Beirut only ten days ago.

As members of the committee may know, AUB for several years has run an extension program in East Beirut to accommodate those students who fear that, because of sectarian hostilities, it may not be safe for them to cross into West Beirut where the main campus is located. This off-campus program has been unable to operate since January, when the fighting on the East side was renewed. Out of concern that the some 900 students in our extension program there were losing nearly a whole academic year, I announced on March 24th that any who wished to cross over the Green Line would be accommodated through added classes on the main campus. In the few days since my announcement, over 200 students have crossed the Green Line, and we expect more before registration for the new semester is completed later this month. As welcome as this influx of students is, it will make even more urgent our need to provide additional housing facilities.

This willingness of the students to put aside their fears in order to continue an AUB education is an important sign of hope for the future of Lebanon. It underscores the symbolic role of the American University as the place where diversity is not only tolerated, but welcome; the place where all Lebanese can come together without rancor to build for the future.

New Ventures At AUB

One of the most important hopes for the future of not only Lebanon, but of the Middle East as a whole, is that the peoples there can find non-violent ways of resolving their differences. While it is not the role of a university to act as peacemaker, AUB does believe it can have a long-term impact on this process by the manner in which it educates the next generation of leaders. With this goal as our lodestar, the university has this year launched a program to introduce conflict resolution studies into our curriculum.

Conflict resolution as an academic discipline has been established in the United States and Europe within the past ten to fifteen years. As part of this process, new collaborative procedures of negotiation, policy dialogue, and consensus building have been introduced to government, corporate, and individual decision-makers. Little cross-cultural research and application of these techniques has yet occurred, however, and the formal introduction of these theories into the Middle East is virtually absent. In keeping with its long tradition of serving as an intellectual bridge between the Middle East and the West, during February AUB brought together in Cyprus ten of its faculty members with a team of conflict resolution experts from George Mason University here in Washington. In a week-long workshop, the two groups began work on a cross-cultural understanding of conflict, and how skills in analyzing and resolving it might be introduced into the AUB classroom. This is an exciting new venture which holds great promise.

It is perhaps worth adding that our Conflict Resolution Workshop was held at facilities AUB has leased in Cyprus in order to have a conference center where Americans and other Westerners can interact with our Beirut faculty. We also are planning other seminars and workshops on topics of interest to both the academic and professional communities in the region. Some examples of such sessions in the next six months are: Recent Developments in Teaching English as a Foreign Language; Marketing Management in the Gulf Environment; and Health Care Finance and Management in the Middle East.

These topical workshops are part of AUB's continuing contribution to regional development. They are conducted by our Office of Research and External Programs, which provides technical advice and management expertise to governments, international organizations, and the region's national universities as well. For instance, under contract with AID we this year embarked on a project in Yemen to help design and implement a new elementary school curriculum in math and science. The university also sent a team to Jordan to study health care manpower problems for the World Bank.

Another new AUB venture with significant implications for regional development is a planned collaborative effort with the Massachusetts Institute of Technology, focusing on the reconstruction of Lebanon. Through its Technology and Development Program, MIT has been active in strengthening institutions in developing countries since 1971. At the present time it is particularly interested in problems of reconstruction in the Middle East. In this context, the term "reconstruction" is broadly interpreted to extend beyond physical reconstruction to include institution building and development of the science and technology infrastructure essential for reconstruction.

MIT has identified AUB as the flagship American institution in the Middle East, and therefore as its best partner in a five-year joint research project that will better enable the region to manage its massive reconstruction requirements. Research will be carried out in the fields of engineering, architecture, health, education, and the social sciences. This collaboration between AUB's promising, but for the most part young, faculty and the senior faculty at MIT will significantly strengthen AUB as an educational enterprise. This process of institution building --begun now -- will further equip AUB to be a principal contributor to the reconstruction and rehabilitation of Lebanon once political stability is reestablished in the country. The collaboration also will promote development in other countries of the Middle East by enhancing AUB's ability to deliver professional and technical assistance to other Arab countries.

Funding Needs

I am pleased to report that AUB's deficit for the current fiscal year -- prior to receipt of any assistance from the U.S. Government -- is expected to be only $5.7 million. You may wonder why I say "only". Although this is indeed a substantial deficit, it is almost 50% less than the $10.5 million we projected last fall. There are a number of reasons for this change: a 100% tuition increase in January; more favorable security conditions in West Beirut than we had anticipated seven months ago; tighter budgeting with respect to capital expenditures; and greater success in private fund raising.

Of this $5.7 million deficit, $4.1 million is attributable to losses from treating the wounded and indigent at the hospital. We expect this will in part be offset by a grant of $750,000 in humanitarian assistance from AID. We also anticipate receiving $850,000 in reprogrammed funds from the agency. Taking these monies into account, the remaining deficit would be $4.1 million. With the exception of last year, when our allocation was reduced drastically, AUB has in the recent past received about $6 million annually from the American Schools and Hospitals Abroad program. We hope we will have your committee's support for a grant of this magnitude this year. That would allow us to close our deficit and also commit nearly $2 million to launching the collaborative program with MIT that I have already described. AUB's costs for that program will be $4.5 million, and a like amount will be contributed by MIT. The importance of this program both to strengthening AUB and to intelligent, long-range planning for reconstruction in Lebanon cannot be overstated.

AUB's financial circumstances in FY 1991 are at the moment impossible to predict with any degree of accuracy. We do, of course, recognize that your committee must make decisions now about FY 1991 appropriations. We therefore have two requests. We urge the committee to approve funding of the ASHA account at a level higher than the $35 million appropriated last year. We believe that the value and effectiveness of the program is well documented, in spite of the allocation of some ASHA funds to questionable educational enterprises in the past. We support efforts by the members of this committee to assure that AID program eligibility guidelines are strictly adhered to in the future.

Secondly, we recommend that the committee again this year earmark funds to support educational activities and humanitarian relief in Lebanon. The suffering in Lebanon is immense, and the goodwill engendered by American assistance in meeting basic human needs is very great indeed. We hope that the $7.5 million provided last year can be increased this year.

In conclusion, Mr. Chairman, we would suggest to you that the American University of Beirut is viewed by the people of Lebanon as a point of peaceful, cooperative convergence within a society of divergent populations. U.S. support for the university is equated with America's commitment to the future of Lebanon in particular and to the Middle East's development in general. Your committee's continued support of the university is therefore an expression of the highest ideals, for which America is held in esteem throughout the world.

Mr. **Obey**. Thank you very much for your statement. I certainly admire your work.

I think this committee would be happy to consider an increase in ASHA if and when the Authorizing Committee changes the basic authorization so that it ceases to be a political grab bag and pork barrel for individual Members of the Congress.

Mr. **Herter**. I agree with that.

Mr. **Obey**. When that happens we will be happy to put some additional money into that program. In my judgment, until that happens we should not. We will try to deal with your problem separately.

Mr. **Herter**. Thank you very much.

Mr. **Obey**. Thanks again.

Wednesday, April 4, 1990.

ASSISTANCE TO ZAIRE

WITNESSES

HON. HOWARD WOLPE, A U.S. REPRESENTATIVE FROM THE STATE OF MICHIGAN

HON. STEPHEN SOLARZ, A U.S. REPRESENTATIVE FROM THE STATE OF NEW YORK

Mr. **Obey**. Now we will hear from Representative Stephen Solarz and Representative Howard Wolpe.

Are you on the same side, or are you testifying against each other?

Mr. **Solarz**. Mr. Chairman, on this issue we are as close as Siamese twins.

Mr. **Wolpe**. Thank you very much, Mr. Chairman. I do appreciate this opportunity to testify.

Our subject is Zaire. I first want to begin by expressing my appreciate to the subcommittee for its action last year in capping military sales to Zaire at $3 million and prohibiting ESF assistance and in channeling development aid to the maximum extent feasible through private and voluntary organizations and making all American aid to Zaire subject to the reprogramming process.

I think Congress has historically reflected the reluctance of the American taxpayers to fund an extremely repressive and legendary corrupt regime.

With the ebbing of the cold war, with the rising worldwide movement for political liberalization and democratization—a movement that is affecting many countries throughout Africa, as well as in Europe—I think we can now go further. I hope that this subcommittee this year will consider eliminating all military assistance to Zaire, including the training component, and all economic assistance except for food aid, development projects carried out by non-governmental organizations, and other family planning and health activities such as social marketing of contraceptives and AIDS programs.

Gross and consistent human rights violations continue to be reported by both government and private observers in Zaire. As the State Department's latest human rights report indicates, an overlapping array of security organizations practice arbitrary harassment and physical mistreatment and unauthorized detention of ordinary citizens, as well as political opponents of the government.

Nor has there been any recent improvement, contrary to certain claims that you hear from time to time. If anything, the situation is getting worse. Around January 17 there were mass arrests to prevent demonstrations by the opposition Union for Democracy and Social Progress memorializing the death of Zaire's first elected prime minister, Patrice Lumumba, and calling for democracy. Estimates of the number detained range from 50 to 1,000.

A related women's protest on February 23rd resulted in the detention of approximately 40 women. On March 15th, two lawyers from the New York-based Lawyers' Committee for Human Rights were viciously attacked and robbed of their notes in front of the Inter-Continental Hotel in Kinshasa, in circumstances that made them believe security forces were involved. You will recall that one of my delegations I led some years ago had the same experience when former parliamentarians were beaten in the presence of Congressman Micky Leland by members of Mobutu's own private police force.

The Mobutu regime, through its endemic corruption, continues to savage popular aspirations for economic development. Mobutu has acknowledged owning lavish properties in Belgium, France, Italy, and Switzerland. According to press reports he also owns homes in Spain, Portugal, Senegal, Chad, and the Ivory Coast. An incomplete survey of those Belgian property records eight years ago revealed that Mobutu and his closest associates owned some 26 palaces, chateaux, villages, and luxury apartments in Brussels, alone, and that is only the tip of the iceberg.

In a hearing I chaired last year, a State Department official acknowledged that the World Bank had discovered that mineral revenues in the range of $400 million were missing from Zaire's budget. That is comparable to the annual level of resources that American officials estimated as missing throughout the early 1980s. And this does not even include the Presidential entourages' dealings in smuggled diamonds and cobalt and gold which have been reported by former Zairian and American officials over the years. We laugh at those things, but the magnitude of the corruption—which has been, frankly, subsidized by American tax dollars—is unbelievable. That's really why I think it is about time that we make it clear that we are not going to tolerate it any longer.

Important new information unearthed by a reliable periodical, Africa News, and also published in The Christian Science Monitor recently, reveals how the Mobutu Government abuses the country's budget. According to a study by IMF and World Bank officials in 1988 of the 1986 Zaire budget, the biggest chunk of the money was absorbed by political institutions, including Presidential spending—six times its budgeted appropriations—the ruling single party, the Mama Mobutu Foundation, and so on.

By comparison, education got about one twentieth of these outlays, as did health. Within the last few weeks, a World Bank mission to Zaire has returned with similar complaints about misdirected government spending, and the Bank has reportedly again suspended non-project assistance.

In the past it has been argued that America should support Zaire because it has an anti-communist government. With the end of the cold war this argument is becoming an anachronism. Of all of the countries in Africa, Zaire is the one in which the United States played a unique interventionist role throughout the 1960s and 1970s, and in which the regime goes out of its way to intimidate the people by claiming American support.

It is no accident that the regime had opposition leaders beaten while we were there in 1983, arrested human rights monitors in August of 1989 when the American Lawyers' Group for Human Rights was in the country, arrested oppositionists shortly after a group of Members of Congress visited last January, permitted an attack on the Lawyers' Group two years ago, and reasserted its opposition to democracy while Secretary Baker was in the country.

I am asking for an end to most government-to-government economic aid, as well as military aid, because such economic assistance condones government corruption and because, no matter how well designed the program, it is currently unable to contribute to real, equitable, environmentally-sustainable, and self-reliant development.

More fundamentally, the World Bank's new report on Sub- Saharan Africa, From Crisis to Sustainable Growth, clearly recognizes that real economic development is impossible in conditions like those which exist in Zaire.

Mr. Chairman, we owe it, I think, to the taxpayers who elect us, to ensure that our foreign aid does not subsidize foreign corruption. Yes, we should continue to support the 49 non-governmental organizations we are working with in Zaire to foster grass-roots development efforts, continue well- monitored food aid, and other critical family planning and health interventions. But the rest of our development aid should be spent elsewhere in Africa, where it can be more effective, as long as we have the current political system in Zaire.

Thank you very much.

Mr. OBEY. Thank you.

Mr. Solarz?

Mr. SOLARZ. Thank you very much, Mr. Chairman.

I think that my testimony today falls in the category of a "man bites dog" story. Usually I appear before you as a humble supplicant asking you to conjure up out of thin air nonexistent resources for some of my favorite democracies around the world.

Today I join my very good friend, Mr. Wolpe, in asking you to cut off all military assistance to the leading kleptocracy in the world and to channel any economic aid we may be giving through private, voluntary organizations.

Compared to Mr. Marcos, a kleptocrat with whom I have some familiarity, I have to say that Mr. Mobutu is in the big leagues. By comparison, Marcos was a pica.

Corruption on a vast and unimagined scale goes on in Zaire. It has been going on for decades now. As Mr. Wolpe said, unbelievable and unconscionably we continue to support it and subsidize it.

Mr. Wolpe mentioned several of the countries and places in which Mr. Mobutu has acquired palaces and other properties. I noticed that absent from his list was the fine State of Wisconsin. I think it may say something about Mr. Mobutu's contempt for those who hold the purse strings that with an abundance of resources he has failed to acquire what I am sure are many eligible properties in the Heartland of the country.

I calculated, Mr. Chairman, that in the event you were to be responsive to our pleas and to cut off the military aid to Zaire, that even a conservative estimate of Mr. Mobutu's net worth, which would put it around $2.5 billion—and there are incredible estimates that it could be up to $5 billion. But let's say it was only $2.5 billion. If it were invested in order to provide a reasonable 8 percent return, he would be able, with literally only one week's interest on his ill-gotten gains, to finance the $3 million worth of military assistance that we now give him for free. I don't think that's asking Mr. Mobutu to make an undue sacrifice if he really believes the vital security interest of his country requires this $3 million in assistance.

The entire $56 million could be financed with three to four months' worth of interest on a conservative estimate of his ill-gotten gains.

Given the fact that he systematically plunders the wealth of the country, there is no reason why he can't be expected to put back some of it into the kinds of projects that we have been funding if that should prove necessary.

Finally, Mr. Chairman, let me just say that I think it would be prudent for us to assume that Mr. Mobutu's popularity in Zaire is no greater than was Ceausescu's in Romania, Honecker's in East Germany, Marcos' in the Philippines, Somoza's in Nicaragua, or the Shah in Iran.

I think that sooner or later Mr. Mobutu's day will come. He will not remain in power in perpetuity in Zaire. When that day comes, I think it would be unfortunate for America if we were obligated to pay a long-term price by virtue of the undoubted resentment which the people of Zaire must have over our continued willingness to subsidize this totally discredited, corrupt, and repressive regime.

So I really urge you to listen to the pleas of the very distinguished chairman of the Subcommittee on Africa who knows the country and the continent better, I think, than anybody in the House and who feels, as I do, that the time has come to really cut this character off.

I think if the American people really understood what was going on in Zaire and how Mobutu is giving colonialism a good name by driving the standard of living in his country below what it was at the time they got their independence, they would, as one, support a cut-off of certainly military assistance to this discredited dictatorship.

[The prepared statements of Mr. Wolpe and Mr. Solarz follow:]

TESTIMONY ON ZAIRE BEFORE THE FOREIGN OPERATIONS SUBCOMMITTEE HOUSE APPROPRIATIONS COMMITTEE

HOWARD WOLPE, CHAIRMAN
SUBCOMMITTEE ON AFRICA
HOUSE FOREIGN AFFAIRS COMMITTEE

APRIL 4, 1990

First, I want to compliment the Subcommittee for its action last year in capping military sales to Zaire at $3 million, prohibiting ESF aid, channeling development aid, to the maximum extent feasible, through private and voluntary organizations, and making all U.S. aid to Zaire subject to the reprogramming process. The Congress has long reflected the reluctance of American taxpayers to fund an extremely repressive and legendarily corrupt regime.

With the ebbing of the Cold War and the rising worldwide movement for political liberalization and democratization (a movement that is affecting numerous African countries from Benin, Nigeria and Gabon to Mozambique, Namibia and South Africa), I think we can now go further. I therefore hope that this Subcommittee will eliminate this year all military aid (including training) and all economic assistance except for food aid, development projects carried out by non-governmental organizations, and other family planing and health activities (such as social marketing of contraceptives and AIDS programs).

Gross and consistent human rights violations continue to be reported by both governmental and private observers in Zaire. As the State Department's latest Human Rights report indicates, "an overlapping array of security organizations" practice "arbitrary harassment, physical mistreatment, and unauthorized detention of ordinary citizens as well as political opponents of the Government." Also, "In 1989 police and military personnel frequently abused their authority and arbitrarily arrested, detained and extorted money from civilians." The "Department of Citizens' Rights and Liberties", founded in 1986, "has exhibited little capability for systemic redress of human rights abuses."

Nor has there been any recent improvement; if anything, the situation is getting worse. Around January 17th, there were mass arrests to prevent demonstrations by the opposition Union for Democracy and Social Progress memorializing the death of Zaire's first elected Prime Minister, Patrice Lumumba, and calling for democracy. Estimates of the number detained range from 50 to 1000. A related women's protest on February 23rd resulted in the detention of approximately 40 women. On March 15th, two lawyers from the New York-based Lawyers's Committee for Human Rights were viciously attacked and robbed of their notes in front of the Inter-Continental Hotel in Kinshasa, in circumstances that made them believe security forces were involved. Secretary Baker reportedly brought up this incident with President Mobutu when he visited Zaire last month. Yet Mobutu gave no hint of any loosening up when he severely warned "troublemakers who flood the capital with leaflets and insidious literature" calling for multi-party democracy on the very day of his meeting with Baker.

The Mobutu regime, through its endemic corruption, continues to savage popular aspirations for economic development. Mobutu has acknowledged owning lavish properties in Belgium, France, Italy, and Switzerland; according to press reports he also owns homes in Spain, Portugal, Senegal, Chad, and Ivory Coast. An incomplete survey of Belgian property records 8 years ago revealed that Mobutu and his closest associates owned 26 palaces, chateaux, villas and luxury apartments, in Brussels alone. But this is only the tip of the iceberg.

In a hearing I chaired last year, a State Department official acknowledged that the World Bank had discovered that mineral revenues in the range of $400 million were "missing" from Zaire's budget. This was comparable to the annual level of resources that U.S. officials estimated as "missing" throughout the early 1980s. And this does not even include the Presidential entourages' dealings in smuggled diamonds, cobalt and gold which have been reported by former Zairian and U.S. officials over the years, or the bribes that have been extorted from U.S. and other companies wishing to do business in Zaire.

Important new information unearthed by the reliable periodical, Africa News, and also published in The Christian Science Monitor, reveals how the Mobutu Government abuses the country's budget (See Attachment). According to a study by IMF and World Bank officials in 1988 of the 1986 Zaire budget, the biggest chunk of the money was absorbed by "political institutions," including Presidental spending (6 times its budgeted appropriations), the ruling single party, the Mama Mobutu Foundation, etc. By comparison, education got about one twentieth of these outlays as did health. Within the last few weeks, a World Bank mission to Zaire has returned with similar complaints about misdirected government spending, and the Bank has reportedly again suspended non-project assistance.

In the past, it has been argued that the U.S. should support Zaire because it has an anti-Communist Government. With the end of the Cold War, this argument is becoming an anachronism. To be sure, the U.S. reportedly sends military aid to UNITA in Angola via Zaire -- a policy that I believe has been based on fundamentally mistaken assumptions about UNITA's commitment to democracy, the MPLA Government's ideological rigidity and hostility, and the impact of our military aid on the goal of obtaining a negotiated political settlement. But I would ask those concerned with helping UNITA to consider three additional points. First, the Mobutu Government has helped UNITA for its own reasons since 1975: our military and economic aid is not the principal reason for this support. Zaire has continued to aid UNITA when we have withdrawn from the fray and it recently ceased aiding UNITA for awhile against our wishes. Secondly, is the freedom of 33 million Zairians of less concern than that of 9 million Angolans? Thirdly, covert aid is dealt with by a separate committee and should not affect this Subcommittee's deliberations.

Of all of the countries in Africa, Zaire is the one in which the U.S. played a unique interventionist role throughout the 1960s and 1970s and in which the regime goes out of its way to intimidate the people by claiming U.S. support. It is no accident that the regime had opposition leaders beaten while U.S. Congressmen were in the country in 1983, arrested human rights monitors in August 1989 when a U.S. lawyers' group for human rights was in the country, arrested oppositionists shortly after a group of Congressmen visited last January, permitted an attack on the lawyers' group two weeks ago, and reasserted its opposition to democracy while Secretary Baker was in the country. All this, along with Mobutu's repeated visits with U.S. presidents, is designed to persuade the people that there is no hope for effective political change because the U.S. will continue to intervene against it. As democratic trends increase worldwide and in Africa, we need to distance ourselves from this Government as quickly and as clearly as possible so that future successor regimes wishing to continue a relationship with the U.S. will be able to do so.

I am asking for an end to most government-to-government economic aid as well as military aid because such economic assistance condones Government corruption and because, not matter how well designed the program, it is currently unable to contribute to real equitable, environmentally sustainable and self-reliant development. For example, even the relatively clean U.S. and World Bank-supported development bank, SOFIDE, often ends up channeling donor funds into the hands of the political elite, ostensibly for "agricultural" purposes but in reality for illegal trading in minerals (See attachment). More fundamentally, the World Bank's new report on sub-Saharan Africa, From Crisis to Sustainable Growth, clearly recognizes that real economic development is impossible in conditions like those which exist in Zaire:

> History suggest that political legitimacy and consensus are a precondition for sustainable development...Underlying the litany of Africa's problems is a crisis of governance...Because countervailing power to manage a nation's affairs has been lacking, state officials in many countries have served their own interests without being called to account...Ultimately better governance requires political renewal. This means a concerted attack on corruption from the highest to the lowest levels. This can be done by setting a good example, by strengthening accountability, encouraging public debate, and by nurturing a free press. It also means empowering the poor by fostering grassroots and nongovernmental organizations.

Mr. Chairman, we owe it to the taxpayers who elect us to ensure that our foreign aid does not subsidize foreign corruption. Yes, we should continue to support the 49 NGOs we are working with in Zaire to foster grass roots development efforts, continue well-monitored food aid, and other critical family planning/health intervention. But the rest of our development aid should be spent elsewhere in Africa, where it can be more effective, as long as we have the current political system in Zaire.

DIPLOMACY

ZAIRE

Mobutu Comes Calling

President Mobutu Sese Seko of Zaire, who is scheduled to make an official working visit to Washington late this month, will arrive with a refurbished fiscal image and an appeal for increased U.S. assistance. But he may also face tough questions about some $400 million in unaccounted-for export earnings last year.

Mobutu's session with President George Bush is the centerpiece of the visit, and it should be a friendly encounter. The two men have met several times before, and Mobutu – a key American ally in Africa – has had a close association with the Central Intelligence Agency, which Bush once headed.

Part of that relationship in recent years has involved important Zairean support for the U.S.-backed Angolan rebel movement Unita. Although Bush has pledged to maintain American backing for Unita, Mobutu is under pressure from his African neighbors to deny access to his territory for Unita supply operations.

The issue of Unita aid is likely to be linked to Mobutu's request for more American assistance. Mobutu has already acceded to U.S. pressure by agreeing to an economic reform program with the International Monetary Fund (IMF). According to sources familiar with the agreement, it includes provisions for a monthly monitoring of the country's finances in yet another effort to stem the illegal outflow of money from the nation's coffers.

Mobutu is said by knowledgeable insiders – including the man who now represents his interests to the world as foreign minister, Nguza Karl-I-Bond – to have systematically looted his nation's export revenues ever since he took power in a 1965 CIA-backed coup.

In 1981, after a split with Mobutu, Nguza told a Congressional committee that Mobutu and his immediate family were transferring more than $60 million a year directly from the Bank of Zaire to their overseas accounts. Nguza has never repudiated those charges, even though he rejoined the government after failing to convince the U.S. and other Western powers to help him overthrow Mobutu.

Based on the information disclosed by Nguza and other exiles who fled the country in the early 1980s carrying briefcases stuffed with secret financial documents, Mobutu's wealth has been estimated at about $5 billion.

The president bristles when confronted with allegations of corruption. "Treating me as a thief," he told Belgium's *Le Soir* magazine, "is a grave, intolerable insult which stems from contempt and racist condescension."

Asked about the $5 billion figure in an *Africa News* interview last year, Mobutu responded that he is worth "less than $50 million. What is that after 2[illegible] years as head of state of such a big country?"

However, according to figures obtained from knowledgeable sources, last year alone some $400 million was secretly diverted from Zaire's trade revenues in directions the government has failed to explain. For example, Zaire's foreign exchange earnings from the largest government-owned mining houses rose from about $950 million in 1987 to $1.35 billion last year. But interviews with international financial experts, mining company officials, Western diplomats and Zairean insiders suggest that virtually the entire increase disappeared.

In a little-noted public confirmation of this diversion, one U.S. official acknowledged during a Congressional hearing in March that approximately $400 million in funds "are as yet not accounted for." Larry Saiers, deputy assistant administrator of the U.S. Agency for International Development, made the statement in response to questioning by Rep. Howard Wolpe (D-MI), a Mobutu critic who chairs the House Africa subcommittee.

The biggest chunk of the money appears to have been absorbed by the Zairean presidency, the Mama Mobutu Foundation, the ruling Popular Revolutionary Movement and other "political institutions personally controlled by Mobutu with no outside accountability.

Confidential statistics from inside the Zairean central bank reveal massive overspending by the institutions most closely linked to Mobutu. In 1986, the presidency spent six times the money officially allocated to it.

Zaire's published budgets for 1986 and 1987 allocate almost 40% of appropriations to the servicing of foreign debt, while political institutions are granted 10% of funds remaining after debt service. But confidential statistics from inside the Zairean central bank reveal massive overspending by the institutions most closely linked to Mobutu. In 1986, the last year for which such figures are available, the presidency spent six times the money officially allocated to it.

Much of Zaire's government spending is simply untraceable. World Bank and IMF technical experts who have tried to classify Zairean government expenditures were only partially successful in their efforts to categorize by department and function. But their figures do show that – of expenditures which could be classified by function – more than half went to political institutions [illegible] 1986, the last year for which [illegible] could be found. Another 23% of identifiable spending went to the

Zairean military. By comparison, health and education each got less than 3% of government money.

The precise impact of such apparent theft on the average Zairean is hard to gauge, because so many people live outside the formal sector. But when the World Bank deployed a team of anthropologists to monitor "the underground economy in Zaire" they found, in a preliminary study circulated last year, that:

- Illegal gold exports are "several times the official national production."
- Massive poaching and smuggling of ivory from slaughtered elephants "will soon result in the annihilation of one of Zaire's great natural resources."
- The theft and smuggling of cobalt "is primarily carried out by some of the most powerful individuals in the country."
- Between 30% and 60% of Zairean coffee production is smuggled out of the country, along with half the cinchona and papain, and at least 10% of the tea.

As this study points out, all Zairean statistics are approximate at best.

"I have seen numbers being invented, I have seen numbers being fudged," said a long-time researcher on human services in Zaire. "All statistics related to Zaire are not worth the paper they're printed on. All the population statistics are invented, all the health statistics are invented."

Despite these massive irregularities, unless agreements carefully negotiated over the past few months unravel now, Mobutu will come to Washington with several important new fiscal stamps of approval.

On February 1, responding to U.S. and IMF pressure, Zaire doubled the price of petroleum. The same day, while on a "private visit" to Morocco, Mobutu gave a check for five million French francs to his longtime political ally, King Hassan II of Morocco. The check, a contribution toward construction of the enormous mosque Hassan is building in Casablanca, was drawn on Mobutu's personal account at Banque Indosuez in Paris. Indosuez is the banking arm of the French business group that last year bought control of Societe Generale de Belgique, a Belgian multinational with major interests in Zaire.

Zaire's fuel price hike touched off student protests in Kinshasa which later spread to other cities. Exiled anti-Mobutu activists said dozens were killed. Though soon contained, the demonstrations revealed a vulnerability in Mobutu's protective machinery, according to Western military sources. Frightened by signs that regular army units might join the students in challenging economic austerity, Mobutu called out the elite, Israeli-trained Presidential Guard to quell the protests.

The danger, said one source with access to detailed military information from Zaire, lies in the fact that discontent with Mobutu's government is moving up the military ranks from ordinary soldiers to junior officers. It has long been the case that ill-paid soldiers must demand bribes or steal from civilians to survive economically. Today, however, the civilians they prey upon have grown so poor that neither troops nor officers can steal enough to support themselves.

In March, Zaire met another key IMF demand to "tighten the money supply," i.e., to stop covering the government deficit by printing money. At the start of 1989, official figures placed Zaire's inflation rate at more than 100% per year. By April, under the influence of the new monetary policy, it had dropped to less than 10%.

Following these actions, Mobutu announced at the end of March the "imminent conclusion" of a new three year structural adjustment agreement with the IMF and World Bank. In fact, the key round of Zaire-IMF negotiations had not yet begun. Nonetheless, to minimize the risk of military revolt against the austerity measures demanded by an IMF agreement, Mobutu coupled the announcement with a 100% increase in military salaries.

In April, Pay Pay wa Syakassighe, the governor of the Zairean central bank, led a Zairean government delegation to the semi-annual IMF/World Bank meeting in Washington. He stayed on an extra week for negotiations with the Fund and Bank.

The IMF's key goal in those talks, an inside source says, was recovery of more than 100 million in special drawing rights (SDR) arrears accrued since Mobutu stopped paying Zaire's debt to the Fund after denouncing IMF programs as "economic colonialism" irrelevant to African needs. Zaire's goal was to get an IMF stamp of approval that would make possible the rescheduling of bilateral and commercial debts with foreign creditors.

Under the agreement that was actually reached, Zaire is to pay its arrears to the IMF in full, and in return, the Fund is to grant a new structural adjustment facility that limits Zaire's first-year access to 30% of its SDR 291 million IMF quota. For the IMF, this would be a no-risk proposition: Mobutu's repayment would be larger than the new outflow of funds to his government.

Releasing more loan funds for Zaire "doesn't necessarily mean development," one senior Western financial official said after the talks were completed. In fact, the official said, "it may just mean that Mobutu's external wealth will grow."

Nonetheless, the Fund is satisfied because "he will pay more than he gets" in the first year. Mobutu agreed, the official said, because with the IMF approval he will be able to get new financial flows from other sources.

If the agreement is approved by the IMF board, this will be the 16th multilateral debt rescheduling for Zaire since 1975, more than for any other low-income African nation.

– Steve Askin

Correction

In a May 29 *Africa News* article about a General Accounting Office study of human rights abuses in Somalia, U.S. Rep. Sam Gejdenson (D-CT) was misidentified as Dan Gejdenson. Africa News regrets the error.

Please Note!

Next week is the beginning of our biannual publishing break. The next issue you receive will be dated July 31.

THE CHRISTIAN SCIENCE MONITOR
Wednesday, June 28, 1989

Mobutu's Critics Charge Corruption

Financing the 'presidency' Zairian-style has proved highly expensive

By Steve Askin

Special to The Christian Science Monitor
WASHINGTON

THE United States this week plays host to a leader who former US Secretary of State Cyrus Vance described as "a source of consistent if sometimes embarrassing political support" for US goals in Africa.

That man is President Mobutu Sese Seko of Zaire, who comes to Washington today fresh from hosting a triumphant regional peace summit and negotiating a new economic reform deal with the International Monetary Fund.

The Zairian strong man is seeking new respectability as peacemaker and responsible manager of his country's vast and underdeveloped resources. But this may not be easy, as he has been dogged by allegations of corruption and human-rights abuses during his nearly 24-year presidency.

According to former CIA official John Stockwell, President Mobutu pocketed $1.37 million in the mid-1970s from a Central Intelligence Agency fund for Angolan rebels. (Zaire provided logistical support and a base for the US-backed rebels.) Just last Friday, Mobutu successfully concluded a summit in Gbadolite, Zaire, that brought about an agreement to end Angola's 14-year civil war in Angola. As a tribute, President Bush will host a luncheon tomorrow in honor of the Zairian leader.

Yet statistics pieced together from confidential documents and dozens of interviews in Belgium (Zaire's former colonial ruler), Washington, and Zaire, with international finance experts, World Bank and IMF insiders, Western diplomats and Zairian officials belie the new image. They lend credence to views of critics who see Mobutu as the last survivor – after Marcos, Somoza, and the Shah of Iran – of a generation of wealthy and corrupt third-world autocrats with close ties to Washington.

Critics estimate Mobutu's fortune at $5 billion, and say he amassed his wealth largely by misappropriating the products of

See **MOBUTU** *next page*

MOBUTU from page 1

Zaire's mines and lush farmland.

Mobutu puts the figure much lower. "I would estimate it to total less than $50 million," he said last year when asked by US Rep. Merwyn Dymally (D) of California, one of his congressional defenders. "What is that after 22 years as head of state of such a big country?" Mobutu asked.

Repeated requests for a Zairian response to charges of profligacy and corruption have been to no avail. Mobutu initially agreed through a US official to be interviewed, but later withdrew the offer. "No one but the President himself," can respond to questions about alleged financial irregularities, a Zairian spokesman said.

In interviews elsewhere, however, Mobutu has angrily dismissed corruption charges. "Treating me as a thief is a grave, unacceptable, intolerable insult which stems from contempt and racist condescension," he told a Belgian publication this year.

Yet World Bank and IMF sources say that Zairian government officials, when questioned during the investigations preceding the latest IMF deal, were unable to account for $300 million to $400 million which disappeared last year from Zaire's foreign-exchange reserves. Most of this money came from the exports of Zaire's biggest business, the state mining company Gecamines.

Sources at the IMF, speaking on condition that they not be identified, allege that the US used its influence as the largest IMF shareholder to press for favorable treatment of Zaire despite the irregularities. A senior US State Department official, requesting anonymity, denies the charge.

IMF officials issued a brief press release on the new agreement June 9 but declined to comment further. Under the deal, Mobutu has agreed to tighten the money supply in a bid to hold down the 100 percent annual inflation rate. In February, under IMF and US pressure to roll back consumer subsidies, his government doubled the price of gasoline.

According to a World Bank study of Zaire's so-called underground economy, "some of the most powerful individuals in the country" have been involved in stealing and illegally exporting Zairian cobalt. The study, distributed at a World Bank seminar last July, also reports that well over half the country's gold and 30 percent to 60 percent of coffee production are smuggled out.

Confidential Zairian Central Bank figures, provided by an IMF official, show that the government spends more money on Mobutu's "presidency" than for schools, hospitals, road building, and all other social services combined.

The presidency is one of a group of government-funded "political institutions" controlled by Mobutu. Others include the Mama Mobutu Foundation and the Popular Revolutionary Movement, the ruling party.

The same Central Bank statistics reveal massive overspending by these political bodies. In 1986, the last year for which detailed figures could be obtained, the political institutions spent at least $150 million – almost three times the money officially allocated to them and more than 20 times the government's education outlays.

Both the governor of the Central Bank, Pay Pay wa Syakassighe, and Zaire's Washington ambassador have not responded to repeated requests for interviews.

In short, alleges an IMF official who has examined these and other recent Zairian financial documents, "the budget and the mining revenues are really the private pool of funds for Mobutu and his friends." He says that "if Mobutu decides to load a plane with cobalt to sell in Europe, nobody knows about it."

Sources familiar with the IMF agreement say it includes provisions for a monthly monitoring of Zaire's finances in an effort to stem illegal outflow of money from the treasury. But tracking the money may not be easy. Some goes into lavish personal expenditures, like the fees for a Concorde Mobutu often leases from Air France for foreign trips.

He also spends extensively on gifts to friends and political allies.

At the suggestion of Representative Dymally, Mobutu gave $250,000 to a charity run by one of the congressman's closest political associates, Los Angeles businessman Dick Griffey. Both men confirmed the gift, but insisted that it had no effect on Dymally's political actions, and praised the Zairian President for his generosity.

And in February, Mobutu gave 5 million French francs ($789,000) to his long-time friend, King Hassan II of Morocco. The check, drawn on Mobutu's personal account at Bank Indosuez in Paris,

THE WORLD BANK & Structural Transformation in Developing Countries

The Case of Zaire

WINSOME J. LESLIE

Lynne Rienner Publishers • Boulder & London

these arrangements.[50] Callaghy notes that the repayment ratio of the private banks has been ten times that of public creditors. This has been encouraged by the banks' holding out the enticement of further lending to members of Mobutu's clique rather than the state.[51]

Beneath these maneuverings at the international level between Zaire and the Western actors, the nature of the Mobutu regime and the nature of the Zairian state serves as a formidable barrier to World Bank efforts.

Domestic Constraints

The nature of the Zairian regime has been described at length in Chapter 4. However, the extent to which Mobutu and his clique frustrate the work of the Bank needs to be underscored here. The regime, with its free access to the state's resources and rampant corruption, views aid agencies such as the Bank and bilateral donors as sources of foreign exchange, not partners in development. Examples abound of instances in which aid funds have been diverted. In the late 1970s, the United States canceled its PL-480 rice program in Zaire because of widespread abuses. The program was intended to provide low-priced rice to the poorer segments of the population; however, prominent government officials and members of Mobutu's clique appropriated supplies and resold them at enormous profit.[52] In June 1983, even after Zaire was following an IMF "shadow" program in preparation for the September 1983 stabilization agreement, a Belgian paper, *La Libre Belgique* carried a story on the discovery of approximately $6 million in uncut diamonds and jewels in the luggage of Madame Mobutu's personal secretary at Brussels National Airport. The GOZ's explanation was that Madame Mobutu had received the gems as gifts at the time of her marriage in 1980. She always carried them with her in the hope of making jewelry out of them eventually. She had left them behind mistakenly in Zaire when she left for Brussels and had asked her personal secretary to bring them.[53] Even World Bank funds channeled through SOFIDE can and do end up in the hands of the political elite. The following comments by a Zairian describe the process:

> The President announced the creation of an agricultural bank ostensibly for peasants. . . . A big wheel takes an empty farm and corrupts the expert (who supplies him with) a favorable assessment of the farm's value. . . . He gets 3 million at the SOFIDE

> (bank). Then he gives it to his brother-in-law to trade in gold and diamonds to make the money yield the most rapid profit. Even this would be all right if he then invested the profit inside the country. But the big men are not investing. . . . all the profits go out and all are convinced that this is the best course . . . Consequently, the country has no economic future.[54]

In spite of this, however, SOFIDE, in the Zairian context, is a relative success.

The Mobutu regime hampers the Bank's ability to perform. It is difficult to judge government sincerity. Time and time again the GOZ has concurred with Bank proposals for reform, only to fail to implement policies or adhere to conditions stipulated in Bank loan agreements. By way of illustration, Western pressure in the wake of the second Shaba invasion in 1978 resulted in the formulation of a government-sponsored Mobutu Plan for economic development covering the period 1979–1981, which included plans to revitalize the agricultural sector. However, it was only in 1982 that the GOZ formulated a comprehensive agricultural plan and the following year that it began to take the first tentative steps toward agricultural reform. Such measures included price liberalization.

In terms of Bank projects, the GOZ has simply ignored its commitments under loan agreements, particularly where it disagreed with the Bank's approach to the project. This illustrates the positive correlation between GOZ interest and project success. In one project, for example, the government agreed to employ qualified personnel acceptable to the Bank in key positions in the parastatals involved in river transport. This covenant was ignored on numerous occasions, in spite of the Bank pointing out to the GOZ that this was contrary to the loan agreement.[55] In another project, the Minister of Public Works disagreed in principle with the Bank's approach to technical assistance to the *Office des Routes*. This resulted in a breakdown in the Bank/GOZ relationship which adversely affected project implementation.[56]

In another ploy, Mobutu often temporarily appoints individuals acceptable to the West to government positions in order to attract more loans and concessions. In a February 1985 cabinet reshuffle, Mobutu appointed Tshishimbi wa Bilenga, a Zairian at the IMF, as finance minister. The GOZ was in the process of negotiating a new standby agreement with the Fund. One week after a letter of intent was signed, Tshishimbi was transferred to OGEDEP (the national debt office) in another cabinet reshuffle. In another example, former Prime Minister Karl-i-Bond claims that he was appointed to his position in order to work closely with the Bank and the Fund.

53. U.S. House of Representatives, 98th Congress, 2nd session, "The Impact of U.S. Foreign Policy on 7 Africa Countries," August 6–25, 1983 p. 28.

The "shadow" program is frequently used by the IMF prior to a stabilization agreement with the country involved. Under such a program, the country must meet certain economic targets, as determined by the Fund, before a loan is forthcoming. From the point of view of the Fund, full adherence to a "shadow" program is an expression of good faith and seriousness with respect to economic reform, on the part of the borrower. In the case of Zaire, the 1983 program was only partly successful. The GOZ agreed to targets strictly limiting government outlays, to strengthen tax enforcement, and generally improve financial management. In addition, the price liberalization process initiated in 1981, on IMF recommendation, was to be extended. Nevertheless, while some progress was made in reducing government expenditure, tax revenues from GECAMINES were significantly lower than IMF estimates, because of low copper prices and the company's continuing financial difficulties. There was also a further accumulation of arrears on debt service, because of a lack of foreign exchange. Inflation continued to be high, and the balance of payments remained under severe pressure. Finally, as the example of Madame Mobutu clearly shows, the IMF program failed to prevent illegal transfers of economic resources. IMF, *Zaire Report* (November 30, 1983) pp. 12–17.

54. Comments by a Zairian official, quoted in Brooke Grundfest Schoepf and Claude Schoepf, "State, Bureaucracy and Peasants in the Lufira Valley" *Canadian Journal of African Studies* No. 18 (1984) p. 93.

55. World Bank, *River Transport Project Report–Zaire* (October 13, 1983) p. 91.

56. World Bank, *Highway Project Report–Zaire* (June 26, 1978).

57. *Africa Economic Digest* (February 8, 1985) p. 12; *Africa Economic Digest* (April 19, 1985) p. 19; Testimony of Nguza Karl-i-Bond before the Subcommittee on Africa, Committee on Foreign Affairs, U.S. House of Representatives, September 15, 1981.

58. John White, *The Politics of Foreign Aid* (New York: St. Martin's, 1974) pp. 95–97. Joan Nelson makes a similar point. See Joan Nelson, "The Diplomacy of Policy-Based Lending," in *Between Two Worlds: The World Bank's Next Decade* ed. Richard Feinberg. Overseas Development Council, U.S. Third World Policy Perspectives No. 7 (New Brunswick, NJ: Transaction Books, 1986).

59. Confidential interview, Washington, D.C., September 16, 1985. The former head of GECAMINES, Robert Crem, who was reportedly fired by Mobutu in 1984 for allegedly implementing policies contrary to IMF and World Bank programs, has been appointed to head the new company.

60. Thomas Callaghy, "Africa's Debt Crisis" *Journal of International Affairs* Vol. 38 No. 1 (Summer 1984) p. 68.

61. Confidential interviews, Kinshasa, Zaire, July 14 and 15, 1981.

62. Confidential interview, Kinshasa, Zaire, August 23, 1982.

63. Confidential interview, Kinshasa, Zaire, August 19, 1982.

64. Erwin Blumenthal, "Zaire–Report on Her International Financial

STEPHEN J. SOLARZ
13TH DISTRICT, NEW YORK

COMMITTEES:
FOREIGN AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS
JOINT ECONOMIC COMMITTEE
PERMANENT SELECT COMMITTEE ON INTELLIGENCE
MERCHANT MARINE AND FISHERIES

Congress of the United States
House of Representatives
Washington, DC

WASHINGTON OFFICE:
1536 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2361

DISTRICT OFFICES:
532 NEPTUNE AVENUE
BROOKLYN, NY 11224
(718) 372-8600
619 LORIMER STREET
BROOKLYN, NY 11211
(718) 706-6603

356 COURT STREET
BROOKLYN, NY 11231
(718) 802-1400

Assistance to Zaire

Testimony of Rep. Stephen J. Solarz

Before the House Appropriations Subcommittee on Foreign Operations

April 4, 1990

I want to thank Chairman Obey and members of the Subcommittee for giving me the opportunity to testify on the Administration's request for economic and military aid for FY 1991.

For more than a decade, the House Foreign Affairs Committee and the House of Representatives have voted consistently to reduce Administration requests for military aid to Zaire, in order to distance ourselves from a notoriously corrupt government that has engaged in systematic abuses of human rights. And this Subcommittee has played an important role in such efforts. Last year, for example, the Foreign Operations Subcommittee included provisions requiring that development aid be directed, to the maximum extent possible, at private and voluntary organizations, and made all aid subject to congressional notification. In addition, your Subcommittee rejected an Administration request to increase foreign military financing from $3 million to $9 million dollars, capping the total at $3 million and prohibiting Economic Support Funds to Zaire.

As welcome as these measures were, I believe it is now time to go further, and to eliminate all military aid, including training, to Zaire and require that all economic assistance be carried out by non-governmental organizations, except for food aid and critical health and family planning projects.

The purposes of these measures are two-fold: first, to further distance the United States from the abusive practices of President Mobutu Sese Seko and thereby send a message of support for human rights to both the people of Zaire and their government; and second, to ensure that U.S. tax dollars are not misused by a government whose corruption has become legendary and to signal our conviction that equitable, environmentally sustainable, and self-reliant development is not possible in the policy context that currently exists in Zaire.

Zaire is still engaged in systematic abuses of human rights of its citizens. The security forces continue to have an unchecked ability to harass and detain political opponents without any accountability to the judicial organs of the state. This has lead to severe restrictions on freedom of speech, association, and freedom to participate in the political process. The government party, the Popular Movement for the Revolution, is the only legally permitted political party, and, according to the State Department's latest Human Rights Report, "the ideology of the MPR is the only legally acceptable political thought."

Since January, there have been at least three attempts at political demonstrations by the opposition, all of which have been broken through arrest, detention, and destruction of property. Last month, for example, security forces broke into the homes of about a dozen leaders of the opposition Union of Democracy and Social Progress

(UDSP) and destroyed members' personal property.

According to the New York-based Lawyers Committee for Human Rights, which supports a military aid cut-off, mistreatment of political opponents is common in Zaire. The State Department also indicates that "beatings and other physical mistreatment of prisoners and detainees continued during 1989, some involving UDSP members held at high security prisons." At the time of arrest, political opponents can expect beatings with a cordelette, a paratrooper's rope that is held together by a four inch metal clasp. In some parts of the country, use of fetters welded together are common and there are also reports of more advanced forms of physical abuse, such as use of electric shock and forms of water immersion torture.

A recent experience involving the New York-based Lawyers Committee during a visit to Zaire illustrates what seems clearly to be official tolerance of human rights abuse in Zaire. During a trip by the Lawyers Committee in August, four opposition activists who had met or were planning to meet with the group's representatives were arrested in Kinshasa. Three were beaten upon arrest and shortly thereafter; subjected to incommunicado detention; and released barefoot two weeks later at distances up to 100 miles from Kinshasa. The fourth was held for two months. No charges were filed and the detainees were never brought before a magistrate.

These are certainly not the worst example of official tolerance of human rights abuses in Zaire. But it is sobering that they were committed with impunity in circumstances involving a prominent human rights organization that has access to the U.S. Embassy and the international media. We can only have the greatest sympathy for those average citizens of Zaire who do not have such protections.

In its request $3 million in foreign military financing and $1 million in funds for international military education and training, the Department of Defense indicates that one of the responsibilities of the Zairean army is to "maintain internal order." In view of the government's abysmal record of abuses of human rights in maintaining such order, continued military aid is simply unjustifiable.

If human rights concerns were not enough to warrant restrictions on aid, surely concerns about systemic corruption justify the cuts that Rep. Wolpe and I are proposing.

Based on information disclosed by former officials, journalists, and others, President Mobutu is now estimated to have personal wealth of several billion dollars. In early 1988, press reports indicated that he had a 16th century castle in Spanish Valencia, a 32-room palace in Lausanne, a $750,000 apartment in Paris, and luxurious estates in Portugal, Spain, Italy, and several African countries.

Using even a conservative estimate of $2.5 billion for President Mobutu's net worth, the total requested U.S. aid package of $56 million for Zaire would amount to only about three months interest earned on the President's wealth. He certainly should be able to make up any shortfall that is incurred by the reductions suggested by Rep. Wolpe and myself.

Whatever Mobutu's wealth, credible reports of corruption and misuse of aid abound, and make a mockery of U.S. efforts to transfer aid through the Zairean bureaucracy. Both the World Bank and USAID, for example, have acknowledged that mineral revenues in the neighborhood of $400 million were missing from the budget of Zaire last year. And while much of the government's spending is not traceable, IMF and World Bank technical experts reported that for 1986, more than half of government spending went to political institutions (including the Presidency) in 1986, with another 23% going to the military. Health and education is reported to have received about 3%. A World Bank commissioned preliminary study circulated in 1988 estimated that illegal gold exports were several times the official national production, that theft and smuggling of cobalt was primarily carried out by some of the most powerful individuals in the country, and that between 30% and 60% of the coffee production was smuggled out of the country, along with half of the cinchona and papain, and at least 10% of the tea.

Such high level involvement in corruption is commonplace in Zaire, and has also affected the civil service, the health professions, the police, and other institutions throughout the society.

Under conditions such as these, real development simply cannot take place. First, there are serious risks that development dollars will not go to their intended purposes. More importantly, we cannot be confident that our development aid is part of a systemic, continual program designed to eliminate poverty. With few domestic resources devoted to development and the absence of a committed bureaucracy, a farm-to-market road built in one year will become a road in disrepair the next.

As the World Bank's new report on Sub-Saharan Africa indicates, real development in Zaire and throughout Africa will only take place when officials strengthen accountability by encouraging public involvement and debate in the political process. And as the report states, "political legitimacy and consensus are a precondition to sustainable development." Such legitimacy is simply nonexistent in Zaire's one-party state.

Finally, there are some who will argue that Zaire has been a staunch supporter of U.S. and Western policies in the region, and that a reduction of aid would threaten U.S. interests in the region. In particular, it has been reported that Zaire has served as a conduit for covert U.S. military support for Jonas Savimbi of the Union for the Total Independence of Angola (UNITA).

Whatever the merits of U.S. assistance to UNITA -- an issue that I believe should be the subject of serious scrutiny -- it seems to me that President Mobutu's actions regarding UNITA are a result of his perceptions of his country's own best interests, rather than the military and economic aid he receives under the Foreign Assistance Act. And in fact, President Mobutu's policies toward UNITA have varied over time and have not always been consistent with Administration wishes.

I have no illusion that the modest measure that Rep. Wolpe and I are proposing will usher in political reform in Zaire. However, it may serve to prod the regime in this direction, as it is already under considerable internal pressures for reform and cannot be immune from the events in Eastern Europe. More importantly, it will signal to the citizens of Zaire that -- despite recent meetings between President Bush and President Mobutu and indications of high-level U.S. support for the Mobutu Government -- the U.S. Government is deeply concerned about the situation in Zaire and supportive of the efforts of Zaireans to open their country's political system.

In conclusion, I believe that it is prudent for us to assume that President Mobutu is no more popular in Zaire than Ceausescu was in Romania, Honecker was in East Germany, Marcos was in the Philippines, or Somoza was in Nicaragua, and that, sooner or later, Mobutu will go. When that time comes, it will not be in our interest to have been perceived as propping up this discredited dictator. Rather, we should take action now that puts us clearly on the side of clean government, democratization and respect for human rights.

Mr. **Obey**. No question.

I want to thank you both. I simply want to say I regard Mr. Mobutu as being a political obscenity. My preference last year was to provide no money for Zaire. Isafely can say that no bill which bears my name is going to have any money for that turkey this year. So I thank you both for your testimony.

Mr. **Solarz**. Thank you very much.

Mr. **Wolpe**. Thank you.

Wednesday, April 4, 1990.

HUNGER ISSUES

WITNESS

HON. TONY P. HALL, A U.S. REPRESENTATIVE FROM THE STATE OF OHIO

Mr. **Obey**. Next we will hear from Congressman Tony Hall.

Good morning.

Mr. **Hall**. Thank you, Mr. Chairman.

I would remark that you are sounding kind of neutral on Mobutu. [Laughter.]

I have a very long statement which I would like to submit for the record, and then, out of that statement, I have some things I would like to talk about and read.

Mr. **Obey**. Sure.

Mr. **Hall**. First off I want to thank you and your committee for yesterday's action on the supplemental appropriations bill and what you were able to do on the floor. That was a tremendous victory.

I appreciate this committee very much. You have a very thankless job. You don't really have much of a constituency to count upon and you don't have anybody patting you on the back. It is a very, very difficult job, but you do a tremendous job of it, and I am very thankful for the work that you have done personally for hunger, child survival—for the children of this world. I appreciate that.

Mr. Chairman, when we established the Select Committee on Hunger we were charged by this Congress to recommend to the appropriate committees of the House legislation and things that we consider necessary with respect to programs affecting malnutrition and policies affecting hunger. In light of that, there are five recommendations that I would like to make to you this morning.

One, increase support for refugee assistance overseas insofar as it is possible, and replenish the United States Emergency Refugee and Migration Assistance Fund to its current authorized level of $50 million.

Two, require AID to devote at least $140 million in resources to programs in basic primary and secondary education.

Three, increase AID's child survival programs from a worldwide level of roughly $200 million to not less than $225 million.

Four, to provide a modest increase from $8 million to $10 million for the vitamin A deficiency program.

Five, to continue funding for the women in development programs of AID, UNIFEM, and INSTRAW.

Now, support for refugees overseas: for fiscal year 1991, as you know, the Administration has requested $215.2 million for refugees. I would like to put this request in context. In 1984, the Congress appropriated nearly $206 million for refugee assistance overseas to the migration and refugee assistance account. This amount was used to help many of the nine million refugees scattered throughout the world.

For fiscal year 1991, seven years later, the Administration has requested an increase of only 4 percent above the fiscal year 1984 level, yet the number of refugees has jumped by nearly 70 percent—15 million people—over the last seven years.

Clearly our funding has not kept up with the expanding needs. If we were to fund refugees in 1991 at the same level as in 1984, the appropriation would be about $340 million.

We, as a committee, requested $25 million more to replenish the ERMA fund, and we are requesting an appropriation to reach the current authorized limit of $50 million for fiscal year 1991.

In basic education, AID allocated more than $132 million for basic education in fiscal year 1989. This figure will plummet to roughly $100 million in fiscal year 1990, a 25 percent decrease. The fiscal year 1991 request is for about the same amount as fiscal year 1990. This figure is too low.

The World Conference on Education for All, which was held just recently in Thailand, adopted a world declaration on education for all, which states that more than 100 million children and countless adults fail to complete basic education programs. Millions more satisfy the attendance requirements but do not acquire essential knowledge and skills.

Mark Edelman, in his testimony before your subcommittee last week, noted that the graduates of the child survival revolution can only become productive members of modern society with a basic education. He also said that AID obligates approximately $135 million annually for basic education; but the budget people at AID do not think that will be the case in either fiscal year 1990 or fiscal year 1991.

So what the committee is asking is that AID should fund programs in basic primary and secondary education from all sources in the bill at not less than $140 million for fiscal year 1991.

AID's child survival activities: I am pleased to tell you that this committee has really responded tremendously by supporting child survival activities, and AID has responded to your very clear report language that you had relative to child survival activities by funding these programs at not less than $200 million for fiscal year 1990.

AID will spend roughly $203 million on child survival activities worldwide in fiscal year 1990. That is the good news.

But the bad news is that, having obtained that $200 million level, AID proposes to retain that indefinitely. I believe that activities in support of children and mothers—particularly this year, with the World Summit on Children coming up in September—must continue to increase.

So we are requesting that AID should fund child survival activities from all sources in the bill at not less than $225 million for fiscal year 1991.

We would also like to commend your leadership and the committee, Mr. Chairman, on an issue of great importance to you and to the Select Committee on Hunger: the need for adequate appropriations for UNICEF. We strongly support an appropriation of $75 million for UNICEF.

I am excited about what they have done over the years and the tremendous concern that they have shown to the most vulnerable and needy people of the world.

Vitamin A: the committee has been wonderful in funding this from the start, and we would ask for a modest increase from $8 million to $10 million for fiscal year 1991.

A final push to accomplish this now could make it possible to end these efforts as part of the U.S. foreign assistance by the end of the decade.

A final thing, Mr. Chairman, is women in development. The Administration has requested no funds for a small but important UN agency, UNIFEM, and $200,000 for another small UN agency, INSTRAW. We would request that you include the same amount for these two organizations as you did in last year's budget.

Mr. Chairman, that completes the testimony. These are the areas that the Select Committee on Hunger is pushing for and hopefully will get funded through your tremendous assistance.

Byron Dorgan, who is the chairman of the International Task Force of the Select Committee on Hunger, will be here with testimony, as well, on some other items, but these are the things that I am here to talk about.

Again, I want to thank you for your assistance. You have been tremendous on all of these issues. We understand the budgetary problems. We are concerned about them, as well. I can't think of a more important issue in the world today, as well as in our own country, than hunger and children. The tremendous amount of people that are facing malnutrition adds up to over one billion people in the world.

This committee directly has as much to say about it as anybody through your funding and through your attention to it. We would ask you to consider these and, if you can, provide increases in certain areas, appropriate language in others—like you done in the past. I think that would be tremendous.

[The prepared statement of Mr. Hall follows:]

STATEMENT OF THE HONORABLE TONY P. HALL
CHAIRMAN, SELECT COMMITTEE ON HUNGER
before the
SUBCOMMITTEE ON FOREIGN OPERATIONS,
EXPORT FINANCING, AND RELATED PROGRAMS
COMMITTEE ON APPROPRIATIONS
April 4, 1990

The Resolution establishing the Select Committee on Hunger set forth the Committee's authority "to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting hunger or malnutrition." In light of that charge, there are five recommendations I would like to make to you this morning:

- increase support for refugee assistance overseas insofar as is possible, and replenish the United States Emergency Refugee and Migration Assistance Fund (ERMA) to its current authorized level of $50 million.
- require AID to devote at least $140 million in resources to programs in basic primary and secondary education;
- increase AID's child survival programs from a worldwide level of roughly $200 million to not less than $225 million;
- provide a modest increase, from $8 million to $10 million, for the Vitamin A Deficiency Program; and
- continue funding for the women in development programs of AID, UNIFEM, and INSTRAW.

Support for Refugees Overseas

I would like to thank you, Mr. Chairman and members of the Subcommittee, for including $25 million in refugee assistance overseas through ERMA in H.R. 4404. I appreciate your efforts to do what you can for this group of people. However, as you know, even with the additional funds, the status of refugees overseas remains very troubled.

For FY 1991, the Administration requested an increase in funding for refugee assistance overseas from $168.7 million in FY 1990 to $215.2 million. I would like to put this request in context. In 1984, the Congress appropriated nearly $206 million for refugee assistance overseas through the Migration and Refugee Assistance (MRA) Account. This amount was used to help many of the 9.1 million refugees scattered throughout the world.

For FY 1991, seven years later, and not even accounting for inflation, the Administration has requested an increase 4% above the FY 1984 level. Yet the number of refugees has jumped by nearly 70%--to more than 15 million people--over the last 7 years. Clearly our funding has not kept up with the expanding needs. If we were to fund refugees in 1991 at the same level as in 1984, the appropriation would be $340 million!

With budgetary constraints, I know that it would be extremely difficult for your Subcommittee to increase funding for refugees overseas by such a large amount. Therefore, I request that you increase the refugee assistance overseas portion of the MRA Account as substantially as you can. I believe that **overseas assistance must receive an amount greater than the Administration's request**. This will require some new money, but it will aid a group of people whose suffering has increased over the last few years as our funding has declined. In addition, a large amount of this funding would go to two of the most admirable international organizations with which I am familiar, the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. Both organizations face serious budget problems right now, and would greatly benefit from an increase in U.S. support.

The Administration's request for $25 million to replenish the ERMA fund is almost certainly too low. I request that you appropriate whatever level would fully replenish ERMA to its current authorized level of $50 million.

Basic Education

Bill language included since FY 1988 has required AID to allocate a portion, now roughly 50%, of the Education and Human Resources Account for "programs in basic primary and secondary education." The Congress has also required AID to extend its basic education activities to new countries. Report language from the Senate has urged AID to focus on South Asia and Africa and on girls' education. I endorse this approach. However, by focusing on funding for this program out of Development Assistance and Sub-Saharan Africa, Development Assistance (DFA), **a decrease in AID support for basic education has not been addressed.**

AID allocated more than $132 million to basic education in FY 1989 from DA, DFA, and ESF. This figure will plummet to roughly $100 million in FY 1990, a 25% decrease. The FY 1991 request is for about the same amount as FY 1990. **This figure is too low.**

The World Conference on Education for All, held in Thailand in March, adopted a World Declaration on Education for All which states the following depressing fact in its preamble: "More than 100 million children and countless adults fail to complete basic education programs; millions more satisfy the attendance requirements but do not acquire essential knowledge and skills."

President Conable of the World Bank pledged that his institution would greatly increase its funding for basic education. Let me say here that I support the Administration's request for IDA-9. The World Bank must be encouraged to continue moving in the direction of supporting poverty alleviation activities. I urge the Subcommittee to lend its support to Section 501 of PL 101-240, which calls on the World Bank to help countries develop poverty alleviation plans focused on basic nutrition, primary health care, basic education, safe water and basic sanitation. The legislation also stresses--and I strongly support this approach--that the World Bank should concentrate its funding in countries with a commitment to developing and implementing poverty alleviation plans.

The Select Committee on Hunger believes that a society which cannot find a way to teach most of its children--boys and girls--to read, write, and add, cannot develop in a sustainable manner. In this way, lack of education perpetuates underdevelopment and the conditions which cause malnutrition and persistent hunger.

Mark Edelman, in testimony before your Subcommittee last week noted: "The graduates of the child survival revolution can only become productive members of modern society with a basic education." He also said that "AID obligates approximately $135 million annually for basic education." The budget people at AID do not think that will be the case in either FY 1990 or FY 1991.

Therefore, I request that the Subcommittee include report language, similar in approach to language you have adopted for child survival activities, indicating that **AID should fund programs in basic primary and secondary education from all sources in the bill at not less than $140 million for FY 1991.** This level reflects the FY 1989 level, adjusted for inflation. AID should be encouraged to concentrate on regions with the greatest need and to pay special attention to improving girls' educational attainment. **Again, no new money would be required.**

AID's Child Survival Activities

I am pleased to be able to tell you that, unlike two years ago, AID has responded to your clear report language that AID fund child survival activities at not less than $200 million for FY 1990. AID will spend roughly $203 million on child survival activities worldwide in FY 1990. That is good news.

But there is bad news, too. Having attained the $200 million level, AID proposes to remain there indefinitely. I believe that activities in support of children and mothers, particularly this year with the World Summit on Children coming up in September, must continue to increase. Despite progress, ten million children still die **unnecessarily** every year. Therefore, I request that the Subcommittee include report language similar to that included last year, indicating that **AID should fund child survival activities from all sources in the bill at not less than $225 million for FY 1991.**

I also request that report language discuss the following issues:

> Of the 14 million children under 5 who die every year, more than one-third die from causes related to malnutrition. Many experts have endorsed UNICEF and the World Health Organization's goal of halving the rate of child malnutrition and eliminating severe malnutrition by the end of the century. Children with poor nutritional status are more likely to have diarrhea and pneumonia, two of the most frequent killers of children.
>
> Direct interventions against these two killers must continue. I support the work of the World Health Organization, through its Diarrheal Disease Control and Acute Respiratory Infections Programs. These programs, and one other outstanding WHO program, the Expanded Program on Immunizations, merit increased support from the Administration.
>
> In addition, AID's recent expansion of its work on breastfeeding promotion needs to continue. At only 3% of AID's child survival activities, breastfeeding promotion still remains too low when compared with the dramatic reductions in child mortality it produces. Expansion of AID's efforts to improve child feeding practices and the health and nutritional status of women must also occur. When combined with continuing efforts to improve immunization rates and use of oral rehydration therapy, the above strategies should permit AID to contribute to a rapid decrease in child mortality during the 1990's.

No new money would be required. Nor would AID be compelled to allocate a specific amount to any given region of the world. AID would retain the freedom to put these resources to use where they can be most beneficial.

I would like to commend your leadership, Mr. Chairman, on an issue of great importance and interest to the Select Committee on Hunger: the need for adequate appropriations and accompanying provisions for UNICEF. I strongly support an appropriation of $75 million for UNICEF. I am excited by the leadership UNICEF has shown in moving us in a direction of greater concern for the most vulnerable, most needy people in the world. And I regret the Bush Administration's charade of saying that their request signals "unflagging U.S. commitment to support the work of UNICEF," while at the same time actually asking for a cut of nearly 25% in U.S. funding for UNICEF.

Vitamin A

For the last five years your Subcommittee, Mr. Chairman, has included bill language requiring AID to devote substantial resources to its Vitamin A Deficiency Program. Last year's bill contained an $8 million earmark for AID's Vitamin A Deficiency Program. I congratulate you for your demonstrated commitment to this important issue. The most recent studies on the benefits of improving children's vitamin A status were presented at a conference in Nepal in November 1989. These results, when combined with earlier studies, leave little room for doubt that giving children adequate amounts of vitamin A could help produce a dramatic reduction in child mortality, reduce infections and anemia, and improve growth.

Ending the severe vitamin A deficiency which blinds and kills in the next decade is an achievable goal. A recent meeting of development experts included it in their "Bellagio Declaration," making it one of the four goals the world needs to reach in order "to end half the world's hunger before the year 2000." They propose the eradication of iodine and vitamin A deficiencies. Experts estimate that an appropriation of $10 million for FY 1991 would help accelerate the process of eradicating vitamin A deficiency over the next ten

years. A final push to accomplish this now could make it unnecessary to include these efforts as part of U.S. foreign assistance by the end of the decade.

Women in Development

The Administration has requested no funds for a small but important UN agency, UNIFEM, and $200,000 for another small UN agency, INSTRAW. These are the only two institutions in the UN solely devoted to the economic advancement of poor women in developing countries. I request that you include the same amount for these two organizations, $800,000 and $200,000 respectively, as you did in last year's bill.

Within AID, I support maintaining the $5 million earmark for women-in-development activities, as well as the requirement that not less than $3 million be used as matching funds to help AID field missions further integrate women into their programs.

Thank you very much.

Mr. **Obey**. All right. I thank you very much. I appreciate your work and your concern in the area. We certainly will do whatever we can. It is going to require that Members be willing to vote to reduce some items as well as increase some. If we are going to make any room for suggestions such as yours, members must be prepared to do that.

Thank you very much.

Mr. **Hall**. Thank you, sir.

Wednesday, April 4, 1990.

FORMER AMBASSADOR TO TURKEY

WITNESS

ROBERT STRAUSZ-HUPE, EXECUTIVE DIRECTOR

Mr. **Obey**. Next we will hear from former Ambassador to Turkey, Doctor Robert Strausz-Hupe.

Good morning.

Mr. **Strausz-Hupe**. Good morning.

Mr. Chairman and members of the subcommittee, I am pleased to testify before you regarding our security assistance program for the Republic of Turkey. I do not intend to read my complete statement, but ask that it be entered into the record in its entirety.

May I perhaps also add a footnote to my statement here? It is my ardent hope that the next fiscal year will be a year of reconciliation—reconciliation between Turks and Armenians, between Turks and Greeks. I think it is possible. It is possible if enough good men and good women want it. And I hope that whatever decision your committee will make will keep in mind the necessity of reconciliation in the Middle East—especially reconciliation between Turkey and Greece, reconciliation in Cyprus—so that the moneys which you set aside for that region will be spent well. It only can be spent will if there is marked progress in the relationship between these people to one another.

I thank you, sir.

[The prepared statement of Mr. Strausz-Hupe follows:]

TESTIMONY OF

AMBASSADOR ROBERT STRAUSZ-HUPE

before the

SUBCOMMITTEE ON FOREIGN OPERATIONS

of the

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

April 4, 1990

AMBASSADOR ROBERT STRAUSZ-HUPE

April 4, 1990

Mr. Chairman, members of the subcommittee, I am pleased to testify before you regarding our security assistance program for the Republic of Turkey. I do not intend to read my complete statement, but ask that it be entered into the record in its entirety.

Mr. Chairman, it was my privilege to serve for eight years as American Ambassador to Turkey. During those eight years nothing has happened that would alter the geopolitics of the region. The Turkish-American connection is, and must remain, an essential element of western collective security during the 1990's and into the next century.

Turkey sits astride the geographic and cultural divide between East and West. Like the U.S.S.R., it is part in Europe and part in Asia. It is our only Muslim ally in the North Atlantic Treaty Organization, was the first Muslim country to recognize Israel and, except for pre-revolutionary Iran, remained the only one until Egypt signed the Camp David accords.

It is the only Muslim country with a completely secular political orientation and a clear commitment to western democracy. That commitment was made by Kemal Ataturk when the Republic was in its formative years, and remains a fundamental part of Turkey's policy and world view. I hope we bear that in mind as we define our future relationship with this most valuable of allies.

I know that you, Mr. Chairman, your subcommittee and the full Appropriations Committee are concerned, as always, with ensuring that we spend only what is necessary to protect our interests and those of our friends. We are well beyond the time when isolationism was credible, though we now feel an understandable desire to devote energy and resources to our own development and our infrastructure. That to me is the meaning of the peace dividend, a phrase which has recently entered our political vocabulary, but is defined and assessed differently by everyone who uses it.

The President of Czechoslovakia, an eloquent playwright who addressed Congress just recently, captured the imagination of many when he touched on the themes of change, saying that "the Second World War and its unhappy consequences are finally coming to an end."

We are at an historical watershed, but cannot see clearly what awaits us ahead. Turkey, Mr. Chairman, stands beside us with understandably mixed feelings. Welcome as events in the

Soviet Union may be, change there does not necessarily promote stability in the countries surrounding Turkey. While the threat of Soviet attack may be reduced for the present, regional conflict and upheavals may in the short term actually increase.

I believe that recent experiences with Iraq, Iran, Libya, and Syria suggest ongoing needs for common Western security, but in a different form. Recall that Turkey was subjected to violent political conflict in the 1970's which was supported, and in part instigated, from the outside.

The kind of conflict that could again threaten Turkey, and in turn other of our allies, would not necessarily entail a nuclear attack or a massive land invasion from the U.S.S.R. Other possibilities, however, which could also prove profoundly dangerous, include most everything else: incursions; guerrilla campaigns in urban and rural areas; gas attacks on civilians in neighboring countries; turmoil in the southern U.S.S.R.; revolutionary change in southeast Europe; threats to western oil links, including pipelines through and near Turkey; and all this could occur at the same time. This alone is enough to justify continuing the modernization programs the have been underway, though underfunded, for a good many years.

We were reminded in the last year how closely connected places and events are in that part of the world. It is very dangerous to say, as some would, that the threats to NATO from the U.S.S.R. are reduced, therefore all the problems of all our allies are solved and the U.S. should help them less. Particularly in the case of Turkey I do not believe that is the case.

Turkey's geostrategic location remains vulnerable. Democratization has loosened Soviet control over many Soviet Republics, and has therefore worsened Turkey's security situation. Her border with the Soviet Union represents today 37 percent of NATO's frontier with the Warsaw Pact. She guards the Turkish Straits, which control access to the only Soviet warm water ports, through which flows 65 percent of the U.S.S.R.'s global trade. The Turkish-Soviet border may now be less tense from the NATO standpoint, but it has not gotten any shorter.

The situation in Soviet Central Asia is by no means stable, and troops have been used to quell disturbances there. Despite improved East-West relations, Soviet military capabilities remain strong. Much as we may be impressed by Gorbachev's efforts to remake his society, we must acknowledge the possibility of a change in leadership or a radically different situation. The political extremism of other countries that border Turkey, Iran with its attempts to export its Islamic fundamentalism and Iraq with its Baathist totalitarian regime, are additional factors of instability in the region.

As long as the Soviet threat was seen to be immediate, U.S. and other NATO troops and equipment in Europe were at a level of strength and readiness intended to meet any contingency. Turkey was part of that effort and was protected by it: in an emergency we and others could make up for equipment shortcomings as long as the Turks kept up their manpower and training. Now, U.S. and West European troop levels and equipment levels will be reduced.

Motivated by political considerations relating to Cyprus, Congress has declined to supply Turkey with the support necessary to even approach NATO standards. With the Warsaw Pact threat in Western Europe reduced, we and the others will be less prepared to meet Turkish needs in time of threat, and Turkey is still struggling just to come close to current NATO equipment standards. The reduced Soviet threat has not appreciably altered Turkey's own security needs.

For example, we can not forget that Iran and Iraq, now emerging from their recent war, have produced two large, experienced, battle-hardened armies with recent combat experience to Turkey's east. No other NATO ally has similar, potential problems with its neighboring non-Warsaw Pact countries.

And what about the northern border? As Soviet troops and equipment withdraw from Eastern Europe, some soldiers will go home and the oldest equipment will go to the scrap heap. The newest will remain or be shifted eastward and southward. Therefore, Turkey in some ways will face an even greater threat.

Mr. Chairman, I do not believe that the remarkable example of Turkey as a democratic, Muslim country committed to the Western alliance alone justifies maintaining the current levels of support, much as I may admire its statesmen's achievements. Turkey's enormous, accumulated unmet security requirements, however, which I observed and dealt with every year of my tenure as Ambassador, do provide ample justification. Those needs fully justify current aid levels and more. It has been a sad but consistent shortcoming of our relations in recent years that we have not funded more than half of Turkey's real requirements. The reduction in threat may have changed alliance readiness considerations, but in equipment-poor Turkey there is still much catching up to do.

And I want to stress most emphatically: By assisting Turkey to fulfill those requirements, we are not providing charity. Rather we are advancing our own U.S. interests efficiently and economically. We are investing in our own defense and shoring up own strong interest in Turkey's remaining an integral member of the Atlantic Community, a Western-looking, market-oriented, parliamentary democracy, an invaluable military ally, that brings stability to a tumultuous region.

Indeed, Mr. Chairman, it seems to me that this is the time to take advantage of the breathing space for the West resulting from the turmoil in the communist world and examine Turkey's needs objectively and carefully in light of our own. The basis of our security assistance program remains embedded in three general objectives: to deter military attack against the U.S., our allies and friends; to reduce such threat whenever possible; to promote Western ideals of democracy, a free economy, and human rights.

As we begin to reduce our presence in Europe, we expect our allies to assume a greater proportion of the security burden. Turkey's resources are extremely strained and the Turks cannot shoulder their alliance responsibilities alone. Turkey must continue to receive assistance from us commensurate with her needs. Her economy, though it has made great strides over the last decade, is still far from robust. Her requirements, as I have noted, remain large.

With 800 miles of Syrian border and over 600 miles of Iranian and Iraqi border, Turkey is both a strategic outpost and a diplomatic gateway. She was able to maintain a policy of regional neutrality and play the role of honest broker at times in the Iran-Iraq conflict. No other western ally had that capacity.

Of late, it has become a theme in journalistic and other circles that much conflict in the world centers on outbursts of tension between Muslims and their non-Muslim neighbors. Lebanon, Kashmir, Kossovo in Yugoslavia, Azerbaijan and Tadzhikistan in the Soviet Union, are cited as examples.

Mr. Chairman, more than 42 million Turkic Muslims, whose culture and language are related to those of the Turkish Republic, live in the Soviet Union, with about 11 million in Iran, 7 million in China, 2 million in Afghanistan, 1 million in Bulgaria, 400,000 in Iraq, 200,000 each in Greece, Romania, Yugoslavia and Mongolia, 100,000 in Syria and 160,000 in Cyprus.

I can think of no more important goal than keeping the Turks, who have committed themselves to western democracy and to alliance with Europe and ourselves, as close to us as possible. That means they must be able to defend themselves against any and all threats and must know that we stand beside them, just as they stood beside us in Korea, in NATO, and in their own region.

The Western economies import oil from the Middle East, where many countries are unfriendly to the West, unfriendly to each other, and have severe socio-economic and political problems. A few years ago we worried about Soviet mischief in the Middle East and the impact on petroleum supplies, knowing that the U.S.S.R. is the world's largest energy exporter.

While the U.S.S.R. may have less inclination to meddle there at the moment, what would it mean if upheaval in the U.S.S.R. reduces Soviet energy exports to Western Europe? How much more would a simultaneous incident in the Gulf or and Iran-Iraq problem threaten western oil supplies? We have a great stake in the stability of that region, and we should not underestimate the importance of Turkey as a element of stability.

I am not an advocate of bribing countries to be our friends. Turkey has certainly never viewed her relationship with us in that way. Turkey considers herself a friend and partner. We benefit from that friendship in various ways. I have already alluded to the military benefits. We also benefit from the fact that Turkey has a longer diplomatic reach than Israel, our other close friend in the eastern Mediterranean.

Turkey with a population approaching 60 million and a land mass larger than Germany and France combined, will certainly have to continue maintaining its armed forces, the second largest military force in NATO, even if everyone in the alliance reduces troop strength. Turkey will also continue to provide various military installations for U.S. and other NATO forces in support of NATO-related missions.

Major military facilities there include intelligence collection bases monitoring Soviet air and naval activities, which even the most intrusive missile inspection and monitoring agreements will not make obsolete. In addition, they gather information on missile-testing.

Seismographic detection facilities will continue to monitor Soviet nuclear testing activities. Supply and storage depots, a number of air force bases, command-control-and-logistic support facilities, numerous U.S. Defense Communications System terminals, early-warning radar sites, and a long-range aid to navigation station for the U.S. Coast Guard will for the most part remain.

Thus, military installations in Turkey will still support intelligence gathering, the monitoring of Soviet military activity in the southwestern military districts, and the development of certain Soviet weapon systems in the Black Sea region. To that will be added increasingly important tasks regarding Soviet tests under the terms of the strategic arms limitation agreements.

Moreover, certain airfields in Eastern Turkey are being upgraded for the deployment of U.S. Air Force tactical aircraft during conditions of a NATO alert.

Much of Turkey's military equipment, principally of U.S. origin, is still of World War II and Korean War vintage. In 1982, our government estimated that it would take roughly $1.2 billion a year in U.S. military aid for at least a decade to modernize Turkey's military to meet NATO standard requirements. That projection, which our aid levels in no way achieved, or even approached, was simply to bring Turkey up to the standards of a decade ago. It was not to expand, or modernize beyond the minimum standard of the day -- simply to enter the post-Korean-War age.

Although Turkey is third after Israel and Egypt in U.S. security assistance, we did not even come close to achieving the required levels we ourselves suggested. The technological shortcomings in Turkey's equipment and the ongoing threat which she faces suggest current levels are still inadequate for her current needs.

We ourselves have not yet found ways to reduce our own expenditures by more than a few percent, despite the reduced strategic threat and recent treaties with the U.S.S.R. It is difficult to imagine Turkey's needs declining, since consistent congressional opposition to Turkish aid impeded administration efforts to raise assistance levels a reasonable minimum. This can be attributed to a variety of factors which I consider to have had a detrimental effect on our own national security.

The continued congressional application of the artificial 7 to 10 ratio for military aid to Greece and Turkey certainly heads the list. Turkey has rightly and vociferously objected to this formula as breaching our "best efforts" pledge in U.S.-Turkish defense agreements; it is seen by Turkey as chronic, ethnic-based disapproval of Turkey's policies, despite executive branch assurances of American friendship and commitment to Turkey. Reduced aid has slowed Turkey's modernization, weakened her defenses, and forced Turkey to starve important defense programs.

A recent Congressional Research Service Report concluded that there is little evidence to suggest that this ill-conceived ratio practice has contributed to any positive developments in the region. Rather, the ratio has served only to hurt U.S.-Turkish relations.

The futility of this approach was evidenced as well by the approximately $1.1 billion accumulated by Greece in unused security assistance credits. Recently, after the matter was brought to congressional attention last year, Greece appears to have begun to rush to designate ways to expend those funds.

For years, the Greek government chose not to use U.S. credits. For purely political reasons Greece spent its own money in Europe and elsewhere purchasing equipment of foreign firms which compete with our own, while those funds we offered them went unused, and aid to Turkey was limited by that artificial mechanism. Why did we need to give aid when there was apparently money enough from domestic Greek sources?

The 7-10 ratio never, in my opinion, made sense. While Greece now rushes to spend unused credits in order to reduce the political embarrassment which came of having this shameful situation exposed last year, Turkey's needs remain, as always, far greater than those of Greece. Turkey's willingness to use our aid wisely, frugally, and fully is beyond question.

I would like to mention another example of a mechanical device -- or mathematical formula -- that is unwisely being proposed for use in the foreign aid field. Senator Dole's proposed general 5% reductions in foreign assistance to Israel, Egypt, Turkey, Pakistan and Philippines, totaling around $330 million, to assist nascent East European democracies is another misguided effort to substitute a formula for a sensible policy.

It seems to me unfair and misguided to punish our old friends and allies in order to reward newly friendly governments. In any case, Greece alone has been sitting on three times that

$330 million figure in unused credits. Senator Dole and other proponents of aid to Eastern Europe can get the resources they seek without additional burdens to U.S. taxpayers if they did a proper program by program review of foreign aid and reduced only the unmeritorious programs.

Another impediment to adequate aid for Turkey has been the possible linkage of U.S. aid to Turkey with progress on the Cyprus negotiations.

This linkage is counterproductive for several reasons, since: (1) it fails to recognize that Turkey had a legal right to intervene on the island to ensure Cypriot independence; (2) it attempts to force Turkey to pressure the Turkish Cypriots in the sensitive on-going negotiations; and (3) it thereby undermines the Secretary General's negotiating efforts, the mandate for which was recently extended by the Security Council. A lasting settlement to the Cyprus question can only come through the two sides generating an atmosphere of mutual trust, negotiating in good faith, avoiding unnecessary provocation and honoring agreements.

Turkey did not precipitate the events of 1974. The Treaty of Guarantee of 1960, signed by the U.K., Greece and Turkey, accorded the right of Turkey to intervene to counter Greece's moves to annex the island. The Greek Cypriot community had been actively and violently oppressing the Turkish Cypriots for more than a decade. And, although the constitution had given the two peoples equal status, the Greek Cypriots worked consistently to deny the Turkish Cypriots their political rights. Turkish intervention brought an enforced but effective peace to the island, and Turkey currently follows an active policy of encouraging the Turkish Cypriot side to negotiate creatively and constructively so that the problem may be resolved.

Considering the conduct of the Greek Cypriot Administration during the eleven years it assumed control of the island, the essentials of the Turkish Cypriot negotiating position are more than reasonable. Although I am simplifying, their parameters call for restoration of the political equality of the two peoples in a federal state, and effective guarantees that what happened in the 1960's and early '70's, when their people was nearly destroyed, will not happen again.

On March 13th, three weeks ago, the Security Council acknowledged the efficacy of the Secretary General's efforts to bring the two sides to a negotiated settlement when, as I have noted previously, it enacted a resolution to extend his mandate. I must reiterate that even well-intentioned actions by outsiders to influence the Cypriot negotiating process may have harmful ramifications. Most worrisome of the possible repercussions of outside interference would be the way it would be interpreted by the two sides. Resultant intransigence in negotiating positions is a very real possibility, and alone makes linkage ineffective. Of course, I encourage the U.S. to support Mr. Perez de Cuellar's efforts in every way; however, I remain convinced that the U.S. should not try to influence their outcome. By attempting to pressure Turkey, the U.S. is hindering the very process it seeks to advance.

Cypriot peace must be found by the Cypriot peoples or it will be ephemeral. The island's problems are very real and deeply rooted. Solutions cannot be superimposed and then, somehow expected to work. Only when both sides have honestly evaluated the benefits of peace, have overcome the ultra-nationalism that has wracked the island, and can work together to preserve the state that the negotiations will create will there be peace on Cyprus. Trust, communication, and tolerance cannot be pre-empted through manipulation. This is a delicate piece of diplomacy that must be cultivated and supported, not manhandled.

Turkey has taken the position of allowing the negotiations to proceed through the force of their own momentum. Through linkage, the U.S. censures her for this rational position. Turkey should not be made a victim for exercising her legal right to intervene in 1974, nor for her current unwillingness to press for a superficial settlement on the island. Linking U.S. aid to

Cypriot political concessions, ignoring Turkey's very real defense needs, is at best, short-sighted.

Mr. Chairman, Turkey has consistently been our ally and has always carried out her responsibilities. If she has not been able to provide certain technological expertise or the financial means to meet NATO obligations, we and NATO helped. Only that. Unlike so many other friends and allies, Turkey has not asked us to do her work, only help her to be able to do it.

I urge you and your colleagues to take a considered and independent view of Turkey and her current needs in a changing world. I believe it is inaccurate, and ultimately harmful to our own actual needs and interests to lump Turkey into some broad category of "aid recipients" who can automatically be cut.

Before completing my statement, Mr. Chairman, I do wish to address one additional issue. What happened in eastern Anatolia during the final days of the Ottoman Empire was a civil war within the larger context of World War I, during which both Turks and Armenians suffered. It is an issue which should be left to impartial historians, for only scholarly research can bring better understanding of what really occurred between the Turks and Armenians. One step in that direction has been that the Turkish Government has opened the Ottoman archives relating to the Ottoman Armenians to facilitate scholarly inquiry.

However, I believe that another recent development is of great significance. As an indication of the importance which Turkish scholars attach to the study of this issue, I was pleased to learn of the intention of the Turkish Historical Association to place this question on the agenda of its quinquennial conference, scheduled for September 5-9 of this year. A special panel at the conference will be devoted to the topic, and it is an especially welcome development that the association has invited a number of foreign specialists, including European and American scholars of Armenian ancestry, to participate in the conference as their guests.

I believe this is an important step. It will provide an appropriate forum in which to examine the merits of an argument which has burdened our bilateral relations with Turkey repeatedly, especially as regards Congress.

We recognize that today we are witnessing the results of policies established some forty years ago when NATO was formed. I think we also recognize that forty years of peace and prosperity in western Europe, combined with firmness and readiness in the face of possible threats, helped bring about the disintegration of the system in the East. Yet it would be dangerous to assume that the task of NATO is done. In no time and no place in the world has there ever been perfect peace and stability. We, I am happy to say, may be witnessing the beginning of a period of less confrontation and less tension in Europe, but it is still to early to say for sure just what will happen.

Thus, while the superpowers are reducing their military presence in Europe, it becomes more important than ever to pay attention to a NATO country like Turkey, with their still uncompleted task of basic modernization and maintaining an adequately equipped, efficient force.

The road to democratization is fraught with uncertainties. As the yoke of tyranny is lifted, ethnic and religious tensions are bound to erupt, as we see in Eastern Europe and the Soviet Union. National borders are now being challenged, while new identities are being forged based on religious, ethnic, cultural and national identity.

Until the democratic reforms in Eastern Europe and the Soviet Union are institutionalized, until regional ethnic tensions and nationalistic conflicts are settled, "NATO will serve as a bulwark of political free will" as our former Ambassador to NATO David Abshire told you in his testimony last month.

A strong and friendly Turkey is fundamental to our interests and to those of our allies and friends in Europe and the Middle East. No other friend, no other ally, so straddles the areas of our vital interests and those places whose fate still hangs in the balance. Indeed, if anything, now is the time to appreciate Turkey as friend and ally all the more.

Thank you, Mr. Chairman.

Mr. OBEY. Thank you very much. I appreciate your coming.

Is that the full extent of your statement?

Mr. STRAUSZ-HUPE. My statement is here, with the oral footnote.

Mr. OBEY. All right. I appreciate your coming. Thank you very much. I hope that we see the thing that you have expressed your hopes for this morning.

Mr. STRAUSZ-HUPE. Thank you, sir.

Mr. OBEY. Thank you.

WEDNESDAY, APRIL 4, 1990.

UNITED HELLENIC AMERICAN CONGRESS, AMERICAN HELLENIC ALLIANCE, PAN CYPRIAN ASSOCIATION OF AMERICA AND HELLENIC AMERICAN COUNCIL OF SOUTHERN CALIFORNIA

WITNESS

ANDREW E. MANATOS

Mr. OBEY. Next we will hear from Andrew Manatos of the United Hellenic American Congress, American Hellenic Alliance, Pan Cyprian Association of America, and Hellenic American Council of Southern California.

Good morning.

Mr. MANATOS. Mr. Chairman, I had hoped this morning to be unique by being very brief, but the former Ambassador has just completely stolen my thunder. [Laughter.]

I would like, with your permission, to submit my prepared remarks for the record and speak extemporaneously.

Mr. OBEY. Okay.

Mr. MANATOS. Mr. Chairman, every year we come before this subcommittee and are in pretty much the same difficult situation. It is a situation that has shown no easy solution.

This year I am very pleased to say that things have changed radically. The situation has opened up, and this seemingly intractable problem of Cyprus has some extraordinary opportunities for solutions.

For many years the Congress has been frustrated in its dealings with Turkey. I know, for example, one year when Turkish officials came to the United States and were asked by Congress if they plan to create a unilateral declaration of independence on Cyprus, the Turkish officials announced, "Absolutely not. It won't happen. If it does, we would oppose it."

It even went to the Executive Branch. The Executive Branch asked the same question. They said, "No. If it does, we would oppose it."

I remember that year that the day President Reagan signed our Appropriations Bill, the very next day the unilateral declaration of independence was announced and the country of Turkey supported it. I know that the Congress felt very uncomfortable about that. I know the Congress felt uncomfortable about going to Turkey, being taken to the border with the Soviet Union, being shown tanks that needed repair, subsequently sent hundreds of millions of dollars' worth of equipment to Turkey for replacement of those tanks.

I can remember the year that $120 million worth of those new tanks were cent to Cyprus and the tanks in need of repair remained at the Soviet border. I know this was a tremendous frustration, and it was always covered under the rubric that Turkey is extremely important to the security of the United States in light of the Warsaw Pact and the Soviet Union and it borders with both.

As you know, this last year things have changed radically. Members of the authorization committees are recognizing this and are using it as an opportunity to encourage Turkey to do exactly what the former ambassador said, and that is to begin to take a different approach to their relations with Greece, their relations with their minorities, their relations with many countries and many groups of people.

We would strongly encourage this committee to this year send a very strong message to Turkey that they have been an ally for a long time but that they cannot maintain the intransigent position on Cyprus that they have maintained.

I know you that you are aware, Mr. Chairman, that a few weeks ago in New York the settlement talks broke down. Following the breakdown the prime minister of England stated that the talks should have stayed within the parameters of the UN. The UN Security Council voted again that they should stay within those parameters—the Council of Europe. The Foreign Affairs Committee of the House of Representatives expressed itself in that respect.

We are hopeful that the Turkish leaders will get the message and will return to the settlement talks and make serious progress and remove the troops.

We find ourselves in a very unusual situation with this democracy and freedom moving around the world that it is the United States Government that is funding the maintenance of the remaining Berlin Wall on Cyprus. Without our funds, those tens of thousands of troops wouldn't be there, and neither would our equipment maintaining that stifling of democracy and freedom in Cyprus.

So we strongly encourage the committee to this year add its voice to the voices of the others in Congress and in this Administration, which is moving much more strongly in this area than other Administrations have in the past.

With respect to Greece, we are also very pleased to report that, although this last year has gone through a number of elections in Greece and some instability as a result of their inability to elect a strongly-supported administration, there is an election coming up this coming Sunday. It is our hope that the people of Greece will be able to elect a strong government.

But, in any event, if you take a look at what has happened even in this last year when Greece's hands were largely tied in their ability to act expeditiously, their relations on issues with the United States have been handled beautifully, and our people are very pleased with relations with Greece.

So, to summarize, we are pleased this year that these wonderful developments have occurred and this 16-year-long stalemate on Cyprus, this anti-democratic activity, hopefully will be coming to an end, and we hope that this subcommittee will play a major role in bringing that about.

[The prepared statement of Mr. Manatos follows:]

MANATOS & MANATOS
1750 NEW YORK AVENUE, NORTHWEST
SUITE 210
WASHINGTON, D.C. 20006
(202) 393-7790

ANDREW E. MANATOS
PRESIDENT

Statement by Andrew E. Manatos
on behalf of
The United Hellenic American Congress
The American Hellenic Alliance
The Pancyprian Association of America
and
the Hellenic American Council of Southern California
Before the Subcommittee on Foreign Operations of
the House Appropriations Committee

April 4, 1990

Mr. Chairman, those Americans of Greek and Cypriot background who I represent in Washington, D.C. would encourage the Appropriations Subcommittee to act decisively this year to keep moving the spirit of freedom and democracy which began anew so recently in Eastern Europe and the Soviet Union. This subcommittee has the power this year to bring freedom and democracy to one of the remaining areas of the world where it is blatantly stifled, on the Republic of Cyprus.

Unless America acts to restore the freedom and democracy which was removed from Cyprus and has been kept away by American weapons in Turkish hands, our country will fair badly in the world's renewed interest in applications of democracy. This renewed world interest will examine our support or opposition to democracy with a much less forgiving eye.

Ironically, this year is the 2,500th anniversary of the birth of democracy. In the year, 510 B.C., Hippias, the last tyrant of Athens was driven out of the city. There was a thorough reorganization of Athenian political institutions which gave supreme power to the full assembly of free male citizens to which annually elected magistrates had to render accounts of their year in office at the end of the year. It was called democracy, "the reign of the people," and it was the first of its kind the world had ever seen. Two-thousand-five-hundred years later the country we like to refer to as the world's greatest democracy, the United States of America, has the lowest voter turnout rate in the world. For many years we were second to the lowest ahead of Botswana. But now, even Botswana votes at a higher rate than we do.

Changing this voter turnout problem may be a nearly impossible job for the entire government of the United States and certainly for the Foreign Operations Subcommittee of the House Appropriations Committee. However, this subcommittee can have a profound effect on whether or not freedom and democracy will prevail in the country of Cyprus. If the American checkbook were closed, which today finances the tens of thousands of Turkish troops and hundreds of millions of dollars worth of military equipment that maintains the Berlin Wall of Cyprus, normally referred to as the "Green Line," that wall would fall and freedom and democracy would prevail. If the Foreign Operations Subcommittee made it clear to Turkish-Cypriot leader Rauf Denktash and to the government of Turkey which supports his position, that the United States will not be a financial partner to an effort to create an undemocratic democracy on Cyprus where 15 percent of the population would have 50 percent control of the government, the proposal would not live very long. As you know, ever since the Cyprus settlement talks were broken up a few weeks ago in New York by the insistence by the Turkish-Cypriot leader and the government of Turkey that the 15 percent minority gain equal control of the country, the council of Europe, the U.N. Security Council, Prime Minister Margaret Thatcher, and our own State Department have expressed their displeasure that the Turkish side of the negotiations went way out of bounds of the parameters of the U.N. settlement talks. It is important that the subcommittee which finances so much of the anti-democratic activity in the occupied area of Cyprus expresses itself on this proposed undemocratic democracy.

With regard to Greece, the birthplace of democracy, the concept is alive and well. A recent survey of all European countries found that the people of Greece, more than any other people in Europe, today value the concept of democracy. In four days the people of Greece again go to the polls in an effort to elect a new government. As you know, although Greece has had two other major elections within the last year and have had great uncertainty in their government, they have held tenaciously to their democratic principles and peaceful transition of power within the country. Hopefully next Sunday will provide a government for Greece.

As you know, even with the interim government that has predominated in the last year, Greece has worked very closely and effectively with the United States. Even though their hands are in many ways tied because of the absence of a strong government, they have addressed a number of the concerns of the United States and have made progress.

The Greek-American and Cypriot-American organizations I represent would strongly encourage the Foreign Operations Subcommittee to play its appropriate role in keeping the spirit of democracy and freedom alive in the Eastern Mediterranean and make it clear to aid recipients that as an agent of the American government and a representative of the people of the United States it will not forward monies to any activities which run contrary to the magnificent concept of democracy.

Mr. OBEY. All right. Thank you very much. We appreciate you coming.

WEDNESDAY, APRIL 4, 1990.

SIERRA CLUB

WITNESS

NANCY WALLACE, INTERNATIONAL PROGRAM REPRESENTATIVE

Mr. OBEY. Next we will hear from Nancy Wallace from the Sierra Club.

Good morning.

Ms. WALLACE. Good morning.

I am presenting the population portion of the combined environmental groups' testimony that will be presented later at 11:45—the main portion of the testimony—by Brent Blackwelder on behalf of Friends of the Earth, Sierra Club, National Wildlife Federation, and Greenpeace.

This population portion is additionally endorsed by Defenders of Wildlife, the Humane Society of the United States, International Wildlife Coalition, and Society for Animal Protective Legislation, representing an additional 1.32 million people.

Humans are, as we are increasingly aware today, a part of the global ecosystem as much as any other species. We depend upon it for food, water, shelter, oxygen, and all the resources of civilization.

We are asking today for a directive by the committee to the Treasury Department to ask the U.S. Executive Director to urge the Bank to increase the funding in the Population, Health, and Nutrition Division of the Bank even beyond Barber Conable's very notable tripling. The size of the problem in the developing countries has so completely outstripped all bilateral and multilateral efforts of this kind that we are concerned that we are facing a near-term collapse of major ecosystems on the planet, both land-based ecosystems and ocean ecosystems.

Our main focus before you today, though, concerns the Agency for International Development.

We would like to point out that per capita food production is declining in 51 out of 94 developing countries. Africa, in particular, is suffering from an unremitting increase in the need for agricultural land, energy, fuel wood, and fisheries, with one million more people to feed every three weeks.

With the resource demand at a currently unsustainable level, hundreds of millions of people, however, still have no access to or understanding of basic family planning.

To achieve sustainable population levels, we have several great tasks ahead of us: the universal availability of contraception, education and research on the environmental carrying capacity of each ecosystem, and devising ways to voluntarily adjust our populations—most likely, gradually reducing, both globally and locally, to a safe, sustainable level.

To meet this need, we request that the appropriations for the Agency for International Development population account be increased to $500 million for fiscal year 1991.

We are facing a major paralysis of development, and, in some instances, major degradation of ecosystems, which can take hundreds of years to restore, if at all, due in significant part to population growth pressures.

Population growth is capable of wiping out the achievements of the best possible environmental programs, economic development initiatives, health services efforts, and other attempts to improve human welfare.

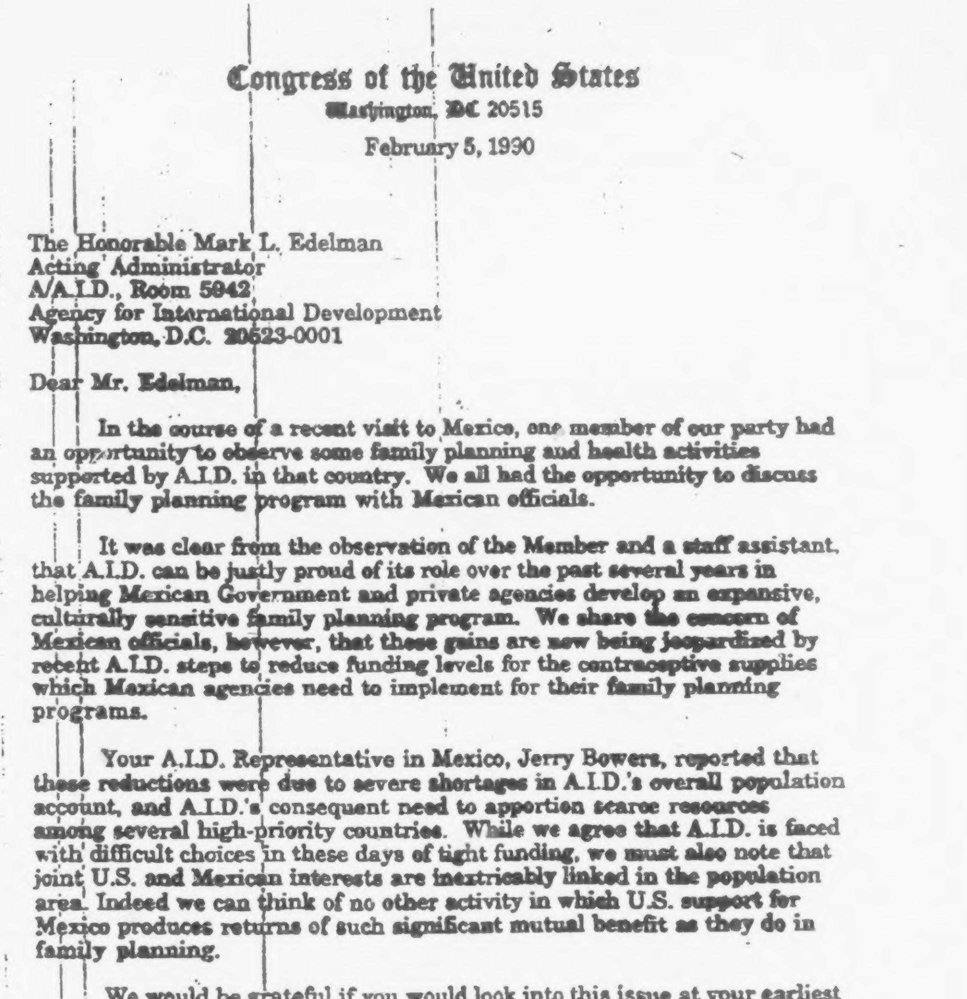
The time has come for the United States to resume leadership on international family planning aid. We ask you to take just the first step of universal availability of contraception under current policy guidelines of the United States to achieve safe, stable, sustainable population levels as quickly as possible.

Giving individuals the ability to voluntarily control their fertility is an essential, immediate contribution to all of our country's foreign policy goals and to the dignity of all humankind.

We would like to submit for the record a letter by nine Members of Congress, including majority leader Gephardt, concerning a difficulty noticed in Mexico with AID's decreased provision of contraceptive supplies. And we would like to note that a proposal has been submitted to the Budget Committee to increase the function 150 account by an amount sufficient to allow for this increase.

We believe that the time has come for the environmental community to communicate the tremendous severity of the population situation to Congress and that the health of the world's ecosystems, upon which everything else depends, are, in fact, at stake today.

[The information follows:]



Congreſs of the United States
Washington, DC 20515

February 5, 1990

The Honorable Mark L. Edelman
Acting Administrator
A/A.I.D., Room 5942
Agency for International Development
Washington, D.C. 20523-0001

Dear Mr. Edelman,

In the course of a recent visit to Mexico, one member of our party had an opportunity to observe some family planning and health activities supported by A.I.D. in that country. We all had the opportunity to discuss the family planning program with Mexican officials.

It was clear from the observation of the Member and a staff assistant, that A.I.D. can be justly proud of its role over the past several years in helping Mexican Government and private agencies develop an expansive, culturally sensitive family planning program. We share the concern of Mexican officials, however, that these gains are now being jeopardized by recent A.I.D. steps to reduce funding levels for the contraceptive supplies which Mexican agencies need to implement for their family planning programs.

Your A.I.D. Representative in Mexico, Jerry Bowers, reported that these reductions were due to severe shortages in A.I.D.'s overall population account, and A.I.D.'s consequent need to apportion scarce resources among several high-priority countries. While we agree that A.I.D. is faced with difficult choices in these days of tight funding, we must also note that joint U.S. and Mexican interests are inextricably linked in the population area. Indeed we can think of no other activity in which U.S. support for Mexico produces returns of such significant mutual benefit as they do in family planning.

We would be grateful if you would look into this issue at your earliest convenience to ensure that A.I.D. provides sufficient contraceptives to meet Mexico's needs. We view this issue as of the highest priority.

Sincerely,

Kika de la Garza, Chairman

Richard A. Gephardt
Richard A. Gephardt, Majority Leader

Ronald D. Coleman, M.C.

Sam Gedjenson, M.C.

Lawrence J. Smith, M.C.

Peter Hoagland, M.C.

Solomon P. Ortiz, M.C.

Bill Richardson, M.C.

Albert G. Bustamante, M.C.

Mr. **Obey**. Thank you. I agree with the general thrust of your remarks. I would simply point out two things.

Number one, this committee considers the determination of specific funding levels for programs by the Budget Committee to be illegitimate and irrelevant. Their job, in my view, is to match revenues with spending, period. They don't need to become a step in the Appropriations Committee. I really think it is a waste of time for all groups to ask the Budget Committee to make a specific designation, because we specifically pay no attention to the budget committee recommendations.

With respect to the numbers you are asking for regarding population, I hope you understand that to go from $220 million to $500 million for a specific program is virtually out of the question. I know there is an expectation that there is going to be plenty of money for foreign aid. There isn't. We are going to be operating within the confines of the President's budget, as far as I am concerned. Whatever marginal changes we are able to make within that total amount is all that we are looking at.

I think no one's interest would be served if they have unrealistic expectations about the total level of funding. We have got too many limitations imposed on us, including the necessity to find $8 billion of phony revenue the Administration produced. There is also the necessity to overcome the fact that neither Republicans nor Democrats in the House are going to support approximately $8 billion out of the President's domestic budget cuts.

So anybody who has any expectations under those circumstances, that this bill is going up significantly, is smoking something that ain't legal I think the message gets passed on. [Laughter.]

Ms. **Wallace**. I also hope that our message is heard by you that, in fact, regardless of what the United States does or does not do, this problem will deal with many of our other problems.

Mr. **Obey**. I agree with that. I also hope that people recognize we are an Appropriations Committee and policy questions are not our prerogative to get into.

Ms. **Wallace**. Absolutely, and this proposal is put forward within that understanding.

Mr. **Obey**. Thank you very much.

Ms. **Wallace**. Thank you.

Wednesday, April 4, 1990.

NATIONAL AUDUBON SOCIETY

WITNESS

FRANCES SPIVY-WEBER, DIRECTOR

Mr. **Obey**. Next we will hear from Frances Spivy-Weber of the National Audubon Society.

Ms. **Spivy-Weber**. More unrealistic expectations here. [Laughter.]

Actually, I hope it is realistic, in spite of your speech.

Audubon recommends for fiscal year 1991 an increase in appropriations of roughly $400 million—$235 million in population, as Nancy mentioned earlier, and $152.28 in environment and natural resources. To offset this increase, we propose that base rights payments to NATO member nations be eliminated in the 150 account. These payments now total roughly $1 billion in 1990 and will more than offset the population and environmental-related programs that we are recommending.

The figure for environment covers the roughly $140 million in DA this year and the $10 million in ESF. It doesn't cover the Cairo wastewater project, but we assume that will continue, as well.

We think the most effective programs that AID can do on the environment are those that have long-term support. So we have recommended some programs be funded for more than one year. We also think that AID needs to hire more high-level people. Last year $5 million was set aside for environmental personnel expenditures, including $4 million for hiring 20 new environmental specialists. Because it was just a one-year appropriation, AID was unable to spend this amount—in part because of the time pressure, and also because of the uncertainty of funding for the future.

One of Audubon's highest priorities in foreign assistance is to see that environmental experts comprise a significant part of AID's professional staff and that field personnel are given substantial environmental training. To this end, and to eliminate the practical difficulties encountered last year, we propose the authorization of $25 million to be spent over the next five years for an AID environmental training and hiring program.

We are also recommending an increase in biodiversity. We have attached an appendix that lays out a justification for a new emphasis on wetlands in the biodiversity program. Much of the biodiversity program now is focused on tropical forests.

I would like to mention also UNEP on the long-term support. We have recommended $20 million for UNEP for this year. We think that the same problems that are facing AID in terms of personnel and hiring experts is facing UNEP, and if they had a five-year commitment of $20 million each year, this would overcome some of those same problems.

I will submit the rest of my statement for the record.

[The prepared statement of Ms. Spivy-Weber follows:]

National Audubon Society

NATIONAL CAPITAL OFFICE 801 PENNSYLVANIA AVENUE, S.E. WASHINGTON, D.C. 20003 (202) 547-9009

Testimony of

FRANCES SPIVY-WEBER
Director, International Program

NATIONAL AUDUBON SOCIETY

Before the
Subcommittee on Foreign Operations
Committee on Appropriations
US House of Representatives

April 4, 1990

On behalf of the 600,000 national and international members of the National AUDUBON SOCIETY, I appreciate the opportunity to testify on funding levels for foreign assistance. I am Frances Spivy-Weber, Director of Audubon's International Program. With Pat Baldi, Director of Audubon's Population Program, we have focussed Audubon's foreign assistance appropriations requests on programs that will help promote sustainable development.

Audubon appreciates the increasing acknowledgement by Congress of the importance of action on a global scale in the areas of environment and natural resource conservation, sustainable agriculture, and population policies and family planning. Language recommended for insertion into emergency funding bills for countries which have experienced political upheavals in the past year is a good example. We hope that in U.S. foreign assistance as a whole, there will be a rapid and radical shift in emphasis to sustainable development programs which will enable the people of recipient countries, in the long term, to utilize their natural resources in a way which is economically and environmentally sound.

This change in priorities must be reflected in the allocation of funds. The Administration's proposed foreign aid budget does not do this, and at the senior administrative level of AID, there is a need for Congress to exert more oversight authority to see that sustainable development programs are supported and enhanced.

Audubon recommends for FY91 an increase in appropriations of $397.28 million over FY90 expenditures: $235 in population and $162.28 in environment and natural resources.

To offset this increase, we propose that base rights payments to NATO member nations be eliminated from the 150 account. These payments, which will total $927.4 million in 1990, will more than offset the population- and environment-related programs, as described below:

ENVIRONMENT AND NATURAL RESOURCES

For FY91, Audubon seeks a commitment from Congress to fund environment and natural resource projects at a level of at least $313 million. This figure provides for continued funding of most of AID's programs at the 1990 levels (approximately $140 million in DA and $10 million in ESF, the Cairo wastewater system excluded), as well as increases in some programs listed below.

The most effective projects are those which can count on continuous support over a period of years, so that involvement of local people is feasible regardless of political and economic uncertainties. In this regard, the proposed appropriation of $15 million of ESF funds in the 1990 Panama supplemental package for a 30-year program for Canal, watershed, and park protection seems a good model.

Continuity is equally important for U.S. participation in these projects, so we urge Congress to support environmental hiring and training within AID at a level which will reduce reliance on consultants and allow the Agency to develop an in-house environmental expertise appropriate to the tasks it faces in combating global problems.

NEW ENVIRONMENT AND NATURAL RESOURCE APPROPRIATIONS

(in millions)	FY 90	proposed FY 91	increase
AID environmental training/hiring	$5	$25	$20
Biodiversity	$10	$35	$25
Global Warming Initiative	$15	$50	$35
Costal Zone Management	$ 2.8	$ 5	$2.2
Office of Energy	$20	$30	$10
SEED (environmental provisions)	$40	$100	$60
IOP			
UNEP	$12	$20	$8
IUCN	$0	$0.75	$0.75
ITTO	$0	$1	$1
CITES	$0.65	$0.75	$0.1
World Heritage	$0.22	$0.5	$0.23
TOTAL INCREASE			$162.28

1. ENVIRONMENT-RELATED TRAINING AND HIRING AT AID

Last year, $5 million was set aside for environmental personnel expenditures, including $4 million for the hiring of 20 new environmental specialists. AID has been unable to spend this amount, in part because of the time pressure and the uncertainty of funding in the future.

One of Audubon's highest priorities in foreign assistance is to see that environmental experts comprise a significant part of AID's professional staff, and that field personnel are given substantial environmental training. To this end, and to eliminate the practical difficulties encountered last year, we propose the authorization of $25 million, to be spent over the next 5 years, for an AID environmental training and hiring program.

2. BIODIVERSITY

Last year's appropriation of $10 million for biodiversity projects was encouraging, but inadequate for the task. Next year, an additional $25 million should be appropriated, including $2 million more for the Parks in Peril program. Attached is an Appendix which lays out a justification for a new emphasis on wetlands within the biodiversity program.

3. GLOBAL WARMING INITIATIVE AND OFFICE OF ENERGY

AID should be directed to continue developing its global warming prevention program. We estimate that AID has the capacity to increase its activities this year to a level which would require $50 million in funding.

We are concerned by last year's failure to fund the Energy Office of AID at the level of $20 million directed by Congress, and we request that measures be taken to insure implementation of this provision in 1991, with an increase to $30 million.

4. SEED

The $100 million proposed for environmental activities in the House SEED II Act is needed to pursue programs in energy efficiency, renewable energy, pollution controls, and cleanup in Eastern Europe. Every effort should be made to help AID and EPA in providing technical expertise in project design, implementation, and evaluation in Eastern Europe.

5. IOP

Both contributions of $750,000 for IUCN (the World Conservation Union) and $1 million for ITTO (International Tropical Timber Organization) are new this year.

An increase of $100,000 for CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), bringing the total to $750,000, is requested with the understanding that the U.S. contribution will be spent in consultation with nongovernmental organizations that work with CITES.

POPULATION

Audubon recommends Congress earmark $500 million for population activities in FY91, a $235 million increase from FY90. This figure is in line with the worldwide doubling in expenditures called for by 79 countries in the 1989 Amsterdam Declaration.

Sustainable development cannot be achieved without population stabilization. Global population will stabilize short of ten billion people in the year 2050, if the two child family rates are reached by 2000. The World Bank projects that contraceptive use will need to double to meet this goal.

APPENDIX

Wetlands Program Initiative

Wetlands are an important natural resource. Since the turn of the century, however, the United States has lost over one-half of its original 200 million acres. Even though the United States has some of the strongest regulations on the books, it is still losing over 300,000 acres a year.

President George Bush, recognizing the enormity of the problem made "no-net-loss" of wetlands one of four major environmental presidential campaign promises, and a major environmental policy of this administration.

The bad news is that wetlands loss is not limited to the United States. While much focus is directed to the loss of tropical forests, as it should, the loss of wetlands must not be forgotten. The importance of wetlands to biodiversity is not insignificant -- water is the essence of life. Water quality and quantity is important for the species found in a marine coastal delta and a mountain desert spring.

In North America, the ratio of biological diversity to the number of wetlands is dramatic. Forth to fifty percent of all plant species are associated with eight percent (wetlands) of the total land base. The importance of wetlands in arid and semi-arid landscapes is obvious. Increasing evidence, however, indicates that the maintenance of surface water flows may be one of the most important elements in protecting biological diversity. The biological values of hydrological systems, such as rivers or tidal lands, are most often concentrated in wetlands.

Wetlands are enormously important in all parts of the world. But in developing countries -- the home of three-fourths of all the world's people and an even greater share of the world's animals and plant species -- wetlands are particularly crucial. Whole communities depend on wetland resources for survival; cultures and life styles revolve around flooding cycles and harvesting of wetland products.

In Africa, 40 percent of all animal protein consumed by people comes from wetland-dependent fish. In Bangladesh, dependence on fisheries is higher; over 90 percent of the population depend on fish as their only animal protein. Almost each of the over 500 fish species that are found in the Ganges and Bramaputra River basin -- twice the number of biological species in the entire Mississippi River basin -- use the Sunderbans mangrove wetlands at one time in their life cycle.

The United States is increasingly recognizing the importance of wetlands conservation to the protection of biological diversity and to sustainable economical development in the Third World.

o In 1986, the U.S. became party to the Convention of Wetlands of International Importance (the Ramsar Treaty), and currently serves on its influential Standing Committee.

o In 1988, Acting-Secretary of the Treasury and previous Administer of USAID, M. Peter McPhearson, adopted and issued voting instructions to the U.S. representatives to the multilateral development banks (MDBs) to oppose any project loans that adversely affected wetland resources, and to promote the wise use of wetlands.

o In 1989, President Bush signed the North American Wetlands Conservation Act that directs the Department of the Interior to work closely with Canada and Mexico to conserve wetlands in North America.

USAID has not taken its cue from these major policy changes and commitments of U.S. resources. USAID should immediately embark on an ambitious program to assist developing countries to conserve their valuable water and wetland resources and the biological diversity and economic benefits contained within. At a minimum, $15 million should be appropriated for this new program.

Mr. **Obey**. Thank you. Again, I agree with your wishes. I simply point out that if someone really expects us to be able to totally eliminate the funding for base rights countries, they are asking us to do something that would get about 50 votes on the House floor.

Ms. **Spivy-Weber**. Actually, if you only eliminate two-thirds—— [Laughter.]

Even one-third.

Mr. **Obey**. I think it is very important for people to have realistic expectations, and, in my judgment, we will be performing a Herculean task if we are able, in this year's budget, to simply send a signal that from now on base rights contributions are on a downward glide.

Ms. **Spivy-Weber**. Particularly in NATO.

Mr. **Obey**. That is what I am talking about—NATO.

Ms. **Spivy-Weber**. Yes.

Mr. **Obey**. The Administration has requested an increase in last year's funding. We will be lucky to be able to put that in a downward glide. To suggest we can cut all or two-thirds or half is not realistic. You can do anything you can get 218 votes for in this House, and we would not get 218 votes for that, although I personally would probably favor it.

The other point I would simply make again—I say this to every group in the room—do not be misled into thinking that if the Budget Committee specifies a figure for the 150 account that means something for us. It does not. The Appropriations Committee, through the 302(b) process, determines the levels available for every subcommittee. The Appropriations Committee will make that determination without reference to what the budget resolution does. So the budget resolution numbers, if they exceed the President's budget level, in my judgment, are irrelevant. We will never see them in this subcommittee. The Appropriations Committee will make a far different judgment. People need to understand that or they will be wasting their time.

Ms. **Spivy-Weber**. Thank you.

Mr. **Obey**. I thank you very much.

Wednesday, April 4, 1990.

LAND O'LAKES INC.

WITNESSES

JOHN E. GHERTY, PRESIDENT

EV HERNESS, FIRST VICE CHAIRMAN

Mr. **Obey**. Next we will hear from John Gherty, President, Land O'Lakes Inc., and Ev Herness, First Vice Chairman.

Good morning.

Mr. **Gherty**. Good morning.

Mr. **Herness**. Good morning.

Mr. **Gherty**. Mr. Chairman, My name is Jack Gherty. I am the President and Chief Executive Officer of Land O'Lakes, a farmer-owned cooperative of about 500,000 farm families in the Upper Midwest and Pacific Northwest. With me today is Ev Herness, a dairy farmer from Whitehall, Wisconsin, who also serves as the First Vice Chairman of the Land O'Lakes Board of Directors.

The purpose of our testimony today is to request that the subcommittee appropriate $5 million for the dairy development initiative in fiscal year 1991. The subcommittee initiative, which began in fiscal year 1986, was to encourage dairy development by small dairy producers, increase nutrition in rural areas, and build future U.S. markets for dairy technologies, products, and feed grains.

Land O'Lakes has been the party most responsible in taking the leadership role in this effort, though other PVOs such as CARE have also participated.

The original fiscal year 1986 amendment earmarked $5 million for this initiative, but permissive language of "up to $5 million" in fiscal years 1987, 1988, 1989, and 1990 have only resulted in $1 million being appropriated for these activities.

Without funding in fiscal year 1991, the program is going to be severely curtailed at a time when dairy development is most urgent and commercial opportunities and requests to the U.S. dairy industry are growing.

As dairy surpluses have gone down, countries are now relying more on their own development of the dairy operations, and this particular bill gives a shot in the arm to those countries.

Mr. Chairman, I'd like to briefly mention a number of reasons why I think our approach to economic market and trade development in developing countries is a little bit unique.

We start first with the belief that helping people develop their own economies is the most effective way to build and assure new and expanded foreign markets for Land O'Lakes and other U.S. companies.

Second, our belief is that if we can provide access to appropriate training, financial, and ongoing technical resources, we are really going to support viable private sector development in those economies, which will eventually help the U.S. economy, also.

Third—and maybe more important, based upon some of the testimony I heard before—I think our participation in the development of foreign private sector clients plays a role in helping address hunger and malnutrition issues; initiates sustainable, long-term economic development; and really provides some stability to evolving democracies.

There are a couple of things we have done. We have stimulated a number of exports of dairy products—some equipment to Pakistan by Green Bay Equipment Company and the sale of genetic improvement material by 21st Century Genetics of Shawano, Wisconsin, to clients in a number of countries. To date we have been working in over 20 developing countries under this initiative.

I have just a couple of points on the benefit to the U.S. Government of the initiative.

The first point is that the continuation of an established mechanism to identify and recommend the use of surplus dairy commodity support is important and should be made available. This helps do that.

Second, it provides an economic development bridge to move foreign clients into credit guarantee programs and commercial trade opportunities with U.S. agribusiness.

Third, I think an important thing is the access to Land O'Lakes' tremendous research and development capabilities. Under this initiative we have spent time developing a vitamin-fortified dairy product which can incorporate biologically active proteins. We have applied our research capabilities to assist dairy plants in developing countries to produce an antiseptic, safe, liquid oral rehydration product which helps with the water problems in a number of these countries. Both of these problems I think are playing a role in combating world hunger, malnutrition, and reducing infant mortality.

Mr. Chairman, I believe Land O'Lakes has successfully implemented the subcommittee's dairy development initiative, and I think we have done this because I think we know more about dairy development of a very basic nature than probably anybody else in the world.

In summary, we would like to continue to build on the success that we have established under your dairy development initiative and would request that the subcommittee provide in fiscal year 1991 $5 million for this dairy development initiative.

Mr. Herness and I would be glad to answer any questions you may have.

[The prepared statement of Mr. Gherty follows:]

TESTIMONY
OF
LAND O'LAKES, INC.

presented by

Mr. John E. Gherty
Mr. Everette Herness

to

House Appropriations Committee
Subcommittee on Foreign Operations, Export Financing,
and Related Programs

April 4, 1990

Testimony
of

Land O'Lakes, Inc.
Mr. John E. Gherty, Chief Executive Officer & President
Mr. Everette Herness, 1st Vice Chairman, Board of Directors

Before the Foreign Operations Subcommittee
House Appropriations Committee
Wednesday, April 4, 1990
Washington, D.C.

Mr. Chairman and Members of the Subcommittee:

My name is Jack Gherty. I am the Chief Executive Officer and President of Land O'Lakes. With me is Everette Herness, a Land O'Lakes dairy farmer member from Whitehall, Wisconsin, and first Vice Chairman for the Land O'Lakes Board of Directors.

On behalf of the 500,000 farmer members of Land O'Lakes, Inc., we appreciate the opportunity to appear before you today and provide testimony on dairy development for the 1991 appropriations bill. Land O'Lakes' cooperative membership area encompasses the Midwest and Pacific Northwest.

The purpose of our testimony today is to request that the Subcommittee appropriate **$5 million for the dairy development initiative** in fiscal year 1991.

- The Subcommittee initiative began in FY86 to encourage dairy development by small dairy producers, increase nutrition in rural areas and build future U.S. markets for dairy technologies, products, and feed grains. Land O'Lakes has taken the major leadership role in this effort, though other PVOs such as CARE have also participated.
- The original FY86 amendment earmarked $5 million for this initiative. Permissive language of "up to $5 million" in FY87, FY88, and FY89 has resulted in only another $1 million for these activities. Without funding in FY91 the program will be severely curtailed at a time when dairy development is most urgent and commercial opportunities and requests to the U.S. dairy industry are growing. Reduced production of dairy products by the U.S. and EEC has resulted in a sharp decline in world supplies and a three-fold increase in world market prices. Countries which relied on surplus dairy donations are giving priority to developing their own domestic dairy industries to provide much-needed nutrition for their vulnerable populations, especially children.

- The initial efforts were modeled on Land O'Lakes' program in Jamaica in which surplus cheese and butter were "monetized" (worth up to $50 million over 10 years) for funding a newly created local foundation to assist in agricultural development. This approach is no longer as attractive, given the shortage of dairy surpluses, although butter oil remains available. Earlier bill and report language has been modified to reflect this change.

- Land O'Lakes' current efforts are focused on strengthening domestic dairy industries in 15 targeted LDCs. The approach begins with a study of the current dairy sector and recommendations to private industries and the government for improvements. The next step is to undertake in-country and U.S. training in dairy processing and production, which in some cases may result in long-term projects. The projects involve assistance as well as commercial ties for expanding trade opportunities in U.S. technologies and products.

Mr. Chairman, I would like to point out the difference between cooperatives, like Land O'Lakes, and other multinational agribusinesses. Cargill, Pioneer and ADM enter developing countries to conduct their business by establishing operations which allow them to compete on a global basis.

In contrast, Land O'Lakes' unique approach to economic, market and trade development in developing countries incorporates the following:

1. Land O'Lakes helps people to develop their economies as the most effective way to build and assure new and expanded foreign markets for Land O'Lakes and other U.S. agribusinesses.

2. By providing access to appropriate training, financial, and on-going technical resources, Land O'Lakes encourages and supports viable private sector entrepreneurs to invest in their country's economy.

3. By our participation in the development of foreign private sector clients, Land O'Lakes helps address hunger and malnutrition issues; initiates sustainable, long-term economic development; and assists emerging democracies as they privatize and reorganize their farmer cooperative business infrastructures.

4. The Land O'Lakes dairy effort has stimulated the export of dairy products, processing equipment and technology. Two examples are the sale of equipment to a private sector dairy plant in Pakistan by the Green Bay Equipment Company and the sale of genetic improvement material by 21st Century Genetics of Shawano, Wisconsin, to clients in Jamaica, Pakistan, Mexico and Honduras.

Over 20 developing countries have benefited from Land O'Lakes activities. The fledgling microenterprise and medium-size private sector dairy production and processing entities we have assisted are now able to:

- Provide higher-quality milk and milk products to the consumer at lower costs, which enhances the nutritional welfare of rural and urban consumers.
- Assist the many small and impoverished farmers usually associated with milk production by improving their dairy management techniques, resulting in increased cash flow through higher milk production.
- Help stabilize local markets for domestic production and processing.
- Turn to the U.S. for dairy technologies and product support.

The benefits to the U.S. Government of the dairy initiative are:

- The continuation of an established mechanism to identify and recommend the use of surplus dairy commodity support --- should it again become available. Although declining surplus dairy products have not made it possible to combine development work with food aid, Land O'Lakes incorporates the potential use of U.S. surplus dairy products to support its development activities.
- The ability to provide an economic development bridge to move foreign clients into credit guarantee programs and commercial trade opportunities with U.S. agribusinesses.
- The access to Land O'Lakes' tremendous research and development capabilities. Land O'Lakes has already developed a processed, caloric- and vitamin-fortified dairy food product which can incorporate biologically active proteins. These proteins are present in milk and have already proven to be effective in the prevention of diarrheal episodes in animals and humans. Land O'Lakes also has applied its research capabilities to assist dairy plants in developing countries to produce an aseptic, safe liquid oral rehydration solution. Both the diarrheal preventative and therapy can combat world hunger, malnutrition, and reduce infant mortality.

Through the Subcommittee's initiative, Land O'Lakes offers what no consulting firm, PVO, or donor agency by itself is able to offer. Land O'Lakes can:

1. Introduce, develop, and implement a complete farm-to-consumer system.

2. Involve foreign agriculturalists into our cooperative agribusiness operations and our members' farms for hands-on training and business experience at an appropriate level of technology.

   Along these lines, Land O'Lakes is bringing between 10 - 25 young Polish agriculturalists into our operation for a one-year internship. The program description is attached to my testimony.

3. Provide international exposure and education to hundreds of thousands of U.S. farmers, through Land O'Lakes' extensive communication system, about the importance of U.S. foreign assistance and the opportunities in the international market for U.S. agricultural goods.

Land O'Lakes has successfully implemented the Subcommittee's dairy development initiative because the dairy business is OUR business. In summary, Mr. Chairman, to continue to build upon the success that Land O'Lakes has established under your Dairy Development Initiative, Land O'Lakes requests the Subcommittee to provide in fiscal year 1991 **$5 million for the dairy development initiative.**

Mr. Chairman and members of the Subcommittee, thank you very much for the opportunity to testify before you. If you have any questions for me or Everette Herness, we will be glad to answer them.

Mr. OBEY. Okay. I have no questions, except are you a fugitive from Wisconsin? [Laughter.]

Mr. GHERTY. Yes, sir. I grew up between New Richmond and Baldwin in St. Croix County.

Mr. OBEY. That's a little south from me, but that's okay.

Mr. HERNESS. And you're a little north from me.

Mr. OBEY. Right. Okay. Thank you.

Mr. GHERTY. Thank you.

Mr. OBEY. We appreciate it.

WEDNESDAY, APRIL 4, 1990.

NATIONAL RIGHT TO LIFE COMMITTEE INC.

WITNESS

DOUGLAS JOHNSON, LEGISLATIVE DIRECTOR

Mr. OBEY. Next we will hear from Douglas Johnson, Legislative Director of the National Right to Life Committee.

Good morning.

Mr. JOHNSON. Good morning, Mr. Chairman.

I am Douglas Johnson, the Legislative Director for the National Right to Life Committee. NLRC is the nation's major pro-life organization, comprised of about 3,000 local chapters.

NRLC strongly believes that the population assistance account must continue to be governed by the Reagan-Bush Mexico City Policy and by the Kemp-Kasten Amendment.

NRLC's organizational mission is to defend the right to life of human beings who are threatened by abortion, infanticide, or euthanasia. NRLC takes no position on contraception, and therefore we neither support nor oppose the population assistance program in principle, so long as the program continues to be governed by the Mexico City policy and the Kemp-Kasten Amendment. Likewise, we take no position on what the funding level for the program should be under these anti-abortion restrictions.

According to the USAID, the Mexico City Policy "has not reduced our total family planning assistance by even one dollar. The withheld funds were reprogrammed to support other family planning programs."

The two major organizations which have refused to comply with the Mexico City policy are the International Planned Parenthood Federation in London and the Planned Parenthood Federation of America. Both of these groups have made it abundantly clear that they believe they have a mission to assist in the legalization of abortion on demand in less-developed nations. Planned Parenthood Federation of America's president, Faye Wattleton, has argued publicly that the U.S. taxpayer has an obligation to subsidize this mission of legalizing abortion in developing countries.

Mr. Chairman, this view of abortion is far removed from the view reflected in the laws of most developing nations. According to a 1984 UN report—still the most recent such available—abortion for social reasons is legal in only 8 out of 126 less-developed countries. We believe it would clearly be inappropriate for the U.S. to resume subsidies to organizations which are determined to undermine or defy the anti-abortion laws of sovereign nations. Presumably those laws reflect the legal, cultural, and religious values of those nations.

Mr. Chairman, we would also encourage you to retain in the bill the clause now generally referred to as the Kemp-Kasten Amendment. As you know, this law to date has been triggered only by the China-UNFPA program.

The Mikulski Amendment, blocked by President Bush's veto last year, would have rendered the Kemp-Kasten Amendment a dead letter. After all, the real issue has never been whether U.S. dollars can be technically segregated from compulsory abortions in China. Rather, the real issue is this: given that compulsory abortion permeates China's population control program, should the U.S. subsidize an organization which believes that China has a model population program? We respectfully submit that the answer to that question should be no.

If the Mikulski Amendment or any other such fund-segregation approach where enacted, officials of China's government would immediately declare that the U.S. has implicitly withdrawn its past criticisms of China's program, and officials of the UNFPA would undoubtedly claim that their posture towards China had also been vindicated.

Moreover, such a resumption would be a signal to other governments and to other international organizations that the U.S. is no longer seriously opposed to the use of coercion in population control programs.

I believe that the President's veto message very cogently addressed the inadequacy of these kind of cosmetic fund-segregation approaches.

Mr. Chairman, the subcommittee has received extensive testimony in the past on the practices in China. I do not belabor that, even in my written testimony, except to note that the State Department's recently issued human rights report contains some updates which indicate, if anything, unfortunately, the practices are becoming more coercive. The press has reported that two provinces in China are now aggressively enforcing laws—and acknowledge that they are doing so—requiring the sterilization and abortion of retarded persons. According to the New York Times, the national legislature may adopt a similar law.

There was little dispute about the China program during last year's debate on the Mikulski amendment. There were arguments that the funding should be restored to the UNFPA, notwithstanding UNFPA's support for China's program. I address several of those arguments in my written testimony.

Perhaps the most remarkable of those arguments was put forward by Mr. Atkins, who said that the UNFPA had been "the most consistent voice against the coercive programs in China." We sent Mr. Atkins a letter in December asking him for a single statement by any UNFPA official ever criticizing or even acknowledging coercion in China. We have received no response. I believe there is no such statement by an UNFPA official.

I have attached at the end of my testimony this year many citations by senior UNFPA officials in which they laud China's program, hold it up as a model for other developing countries, and defend it against all criticism.

To conclude: as recently as November 21, 1989, the current UNFPA executive director, Nafis Sadik, said in a televised interview, "The implementation of the policy [in China] and the acceptance of the policy is purely voluntary. There is no such thing, you know, as a license to have a birth and so on."

Mr. Chairman, we feel that compulsory abortion is both a moral issue and a human rights issue, not a fiscal matter that might be financed with a bookkeeping device; therefore, we urge the subcommittee and the entire Congress to retain the restrictions in current law.

[The prepared statement of Mr. Johnson:]

Testimony of Douglas Johnson,

Legislative Director,

National Right to Life Committee,

Before the

Subcommittee on Foreign Operations,

Committee on Appropriations,

U.S. House of Representatives

April 4, 1990

"Where abortion remains illegal, many groups place a high priority on lobbying for reform." **Planned Parenthood Federation of America advertisement urging that Congress overturn the Mexico City Policy, The New York Times, Feb. 6, 1989, p. A15.**

"The implementation of the policy [in China] and the acceptance of the policy is purely voluntary. There is no such thing as, you know, a license to have a birth and so on." **Dr. Nafis Sadik, executive director of the U.N. Population Fund (UNFPA), CBS Nightwatch, November 21, 1989.**

"I believe that the current Kemp-Kasten law, along with the Mexico City Policy, must be maintained without dilution, in order to preserve both the pro-life and pro-human rights character of the population assistance program. Therefore, if the FY 1990 foreign operations bill as presented to me contains the Mikulski Amendment or any other language which would weaken the current Kemp-Kasten provision, or place the UNFPA or any other organization outside the full application of Kemp-Kasten, I will veto it." **President George Bush, October 6, 1989, letter to The Honorable David Obey.**

Mr. Chairman, I am Douglas Johnson, legislative director for the National Right to Life Committee. NRLC is the nation's major pro-life organization, comprised of some 3,000 local chapters. Thank you for this opportunity to testify regarding abortion-related issues which will be debated on the Fiscal Year 1991 foreign operations appropriations bill.

NRLC strongly believes that the $220 million "population assistance" account must continue to be governed by the Reagan-Bush "Mexico City Policy," and by the "Kemp-Kasten Amendment" which has been carried on this bill since 1985. Prior to the adoption of these policies, the U.S. was the major source of funding for an international network of private organizations which are committed to the legalization and promotion of abortion in less-developed nations.

As it has done before, the House Foreign Affairs Committee last week approved amendments to an authorizing bill which would nullify both of these pro-life policies, and we expect that similar amendments will be offered during consideration of the FY 1991 appropriations bill.

Mr. Chairman, NRLC's organizational mission is to defend the right to life of human beings who are threatened by abortion, infanticide, or euthanasia (these three issues being, in our view, closely related legally and ethically). NRLC takes no position on contraception, and therefore we neither support nor oppose the population assistance program in principle, so long as there are adequate restrictions in place to insure that the program does not support organizations which promote programs of abortion or compulsory abortion, either with U.S. funds or any other funds.

By the same token, so long as the population assistance program continues to be governed by the Mexico City Policy and the Kemp/Kasten Amendment, NRLC takes no position on what the funding level for the program should be (as I testified before the Senate Appropriations Foreign

Operations Subcommittee on July 11, 1989, in response to a question from Senator Harkin). However, if one or both of these policies is weakened or nullified, the program will surely again become a major source of support for organizations which promote programs of abortion and/or compulsory abortion. We strongly oppose any such changes in current law.

THE MEXICO CITY POLICY

The Mexico City Policy denies eligibility to private organizations "which perform or actively promote abortion as a method of family planning in other nations." The contract used by the U.S. Agency for International Development (USAID) to implement the policy permits U.S.-funded organizations to support abortion to save the life of the mother, or in cases of rape and incest. Those organizations which are willing to provide contraceptives, natural family planning training, or other non-abortive methods, and to refrain from performing or promoting abortion or lobbying for abortion, are eligible. But organizations which insist on campaigning to repeal the anti-abortion laws of developing countries, or on including abortion as a birth-control "option" in their programs, are not eligible.

Prior to 1984, the only significant abortion-related restriction on USAID population assistance funds was the 1973 Helms Amendment to the Foreign Assistance Act, which prohibits the direct use of U.S. funds "to pay for the performance of an abortion as a method of family planning or to motivate or coerce any person to practice abortions," and the 1981 Biden Amendment, which placed some restrictions on funding of research on abortion methods. The Helms provision was narrowly construed, and it did not greatly inhibit the promotion of abortion by private organizations which were heavily dependent on U.S. funds.

For example, prior to 1984, The Pathfinder Fund sent out letters boasting of its effectiveness in introducing abortion services into less-developed nations in which abortion had previously not been available-- generally because of illegality-- while simultaneously receiving 90 percent of its annual budget from USAID. As the Fund noted in a fundraising letter from that era, "the offering of pregnancy termination services seemed an excellent way to introduce family planning." Ostensibly, the actual "performance of abortions" was being paid for with the 10% of the organization's budget received from non-USAID sources.

The single biggest U.S.-funded entity promoting abortion in the Third World was the London-based International Planned Parenthood Federation (IPPF), which in 1984 received $17 million-- approximately one-quarter of its total budget-- from USAID. IPPF is one of the two major organizations which have refused to comply with the Mexico City Policy, the other being the Planned Parenthood Federation of America (PPFA), which has its own overseas division, called Family Planning International Assistance (FPIA). FPIA, which is almost entirely funded by USAID, has continued to receive funds pending resolution of a lawsuit filed by PPFA challenging the Mexico City Policy.

It is important to underscore that, according to USAID (June 25, 1987 letter), the Mexico City Policy "has not reduced our total family planning assistance by even one dollar. The withheld funds were reprogrammed to support other family planning programs." According to USAID, 300 subgrantees are conducting approximately 700 projects in about 70 nations under the terms of the Mexico City Policy. That is, these 300 subgrantees have agreed to provide contraceptive services without providing abortion (except to save the mother's life, or in cases of rape or incest), and without campaigning to legalize abortion.

The major organizations which refuse to comply with the policy-- IPPF and PPFA-- both regard abortion as a "fundamental human right." Both organizations have made it clear that they believe they have a mission to assist in the legalization of abortion in less-developed nations. Both organizations go so far as to argue that it would violate their "principles" to accept the U.S. requirement that they stick to promoting contraception and refrain from promoting abortion. PPFA officials have expressed this "principle" in an organizational slogan: "Reproductive Rights Are Indivisible."

The PPFA/IPPF view of abortion is far removed from the view reflected in the laws of most developing nations. According to a 1984 U.N. report, abortion for social reasons is legal in only 8 out of 126 nations classified as "less-developed" by the United Nations. Pro-abortion critics of the Mexico City Policy note that some of the other 118 nations allow abortion in certain circumstances broader than the terms of the Mexico City Policy. However, most of these laws would be described by the press as "severely restrictive" if they were enacted by one of our states, and most are far closer to the Mexico City Policy conditions than they are to the PPFA/IPPF position in favor of unrestricted access to abortion. In any case, the U.S. must make its own determination of where it wishes to draw the line for the purposes of establishing eligibility for U.S. funding. Organizations which feel compelled to promote abortion as a method of birth control remain free to do so, but they thereby render themselves unworthy of U.S. support.

In a landmark 1980 study of population assistance programs, Donald P. Warwick of the Harvard Institute for International Development wrote that IPPF "has in word and deed been one of the foremost lobbyists for abortion in the developing countries." Warwick also noted that groups such as IPPF violate internationally accepted principles of national autonomy when they seek to undermine anti-abortion laws.

PPFA/IPPF leaders have even urged national family-planning groups to ignore anti-abortion laws. For example, a 1983 IPPF document-- signed by PPFA President Faye Wattleton, among others-- recommended that IPPF affiliates violate "unfavourable" laws:

> "Family Planning Associations [IPPF affiliates] and other non-governmental organizations should not use the absence of a law or the existence of an unfavourable law as an excuse for inaction; **action outside the law, and even in violation of it, is part of the process of stimulating change.**" (Report of the Working Group on the Promotion of Family Planning as a Basic Human Right, to the Members' Assembly and the Central Council of the International Planned Parenthood Federation, November 1983, recommendation #106.)

(In testimony before the Subcommittee on International Operations of the House Foreign Affairs Committee on Sept. 21, 1989, Ms. Wattleton vaguely suggested that this recommendation pertained only to anti-contraceptive laws-- an implausible claim when the recommendation is read in context. See, for example, companion task force recommendation No. 108, which noted that some governments allow contraception but not abortion, and then urged IPPF affiliates to "include in their strategies the extension of the scope of this right to the greatest possible number of fertility control methods.")

PPFA argues that U.S. taxpayers have an obligation to subsidize her organization in its crusade to promote legalized abortion throughout the developing world. In an April 14, 1987 speech to the National Press Club, Ms. Wattleton forcefully expressed PPFA's position that the U.S. government has an obligation to export abortion to the citizens of developing countries. She called legal abortion "a universal human right, to which every person on this planet is entitled," and added: "Our government must increase its funding to make contraception and safe, legal abortion available in developing nations." And in an advertisement urging the abandonment of the Mexico City Policy, PPFA noted, "Where abortion remains illegal, many groups place a high priority on lobbying for reform." (New York Times, Feb. 6, 1989, A15.)

Clearly, it is inappropriate for the U.S. to subsidize organizations which undermine or defy the anti-abortion laws of sovereign nations-- laws which reflect the legal, cultural, and religious values of these nations. As USAID told Congress in 1985:

> "Abortion is a controversial issue in many countries, especially those with large Catholic or Moslem populations. The U.S. has been criticized in developing countries for its funding of groups (such as IPPF and some of its affiliates) which perform abortions with their own funds...The Administration believes that it is important to avoid the damage to U.S. interests which results from the belief that it supports abortion. A principle purpose of the [Mexico City] policy is to avoid the hostility to the U.S. resulting from U.S. identification with abortion. Where abortion services are provided by an organization of which the U.S. is a major contributor, it is unrealistic not to expect that the U.S. be identified with its activities. However, where U.S. support is rendered to a government program, there is little damage to the U.S. reputation since the issue is one of domestic politics. (USAID "Population Assistance Fact Sheet," May, 1985)

Because of its militant commitment to the legalization and promotion of abortion as a method of population control, IPPF-London has refused to conform to the Mexico City Policy, and has received no U.S. funds since 1984. It is worth noting, however, that many IPPF national affiliates apparently do not share IPPF's "abortion at any cost" ideology. IPPF-Western Hemisphere promptly agreed to the "contraceptives only" requirements of the Mexico City Policy, and has continued to receive USAID funds without interruption. Indeed, USAID informed Congress in 1988 that the agency funds "approximately 36 IPPF affiliates worldwide" under the terms of the Mexico City Policy (letter from USAID to Sen. Gordon Humphrey, Feb. 8, 1988).

Prior to adoption of the Mexico City Policy, IPPF and PPFA had some successes in undermining the anti-abortion laws of certain sovereign nations. Pro-abortion leaders now complain that, as a direct result of the Mexico City Policy, there has been "a near halt in the liberalization of abortion laws in third world countries" ("Abortion-Aid Cutoff Still Being Judged," The New York Times, Feb. 27, 1989, A16.) This complaint buttresses our contention that the pre-Mexico City Policy campaigns to legalize abortion in developing countries were not, for the most part, truly indigenous, but rather were inspired by international organizations such as IPPF, and were sustained directly and indirectly by USAID funds.

Most of the various legislative proposals to nullify the Mexico City Policy would accomplish that end by providing that no restrictions may be placed on the use of population assistance funds which would be inconsistent with the United States constitutional rights and/or court interpretations of the major domestic family planning program, Title X of the Public Health Service Act. The effect of such proposals would be to require U.S. funding of organizations which organize political campaigns to overturn the anti-abortion laws of sovereign nations. Moreover, these proposals would require funding even of organizations which blatantly violate the anti-abortion laws of sovereign nations, if those laws are "inconsistent" with Roe v. Wade. This could allow, for example, a U.S.-funded organization to train abortionists and otherwise assist in setting up abortion providers in Brazil, where abortion is illegal, so long as U.S. dollars were not used directly to pay for abortions. Such an extension of Roe v. Wade to the developing world would be entirely unacceptable. Very few less-developed nations have abortion laws as permissive as Roe.

Two federal courts of appeals, for Second Circuit and for the D.C. Circuit, have rejected claims that the Mexico City Policy is inconsistent with the Foreign Assistance Act. Moreover, the constitutionality of the

Mexico City Policy has been upheld by the U.S. Court of Appeals for the District of Columbia [DKT Memorial Fund Ltd. v. A.I.D., No.88-5243, Oct. 10, 1989], and by the U.S. District Court for the Southern District of New York [Planned Parenthood Federation of America v. A.I.D., 87 Civ. 0248, March 7, 1990].

The latter case is being appealed. A third constitutional challenge was recently filed by The Pathfinder Fund in the U.S. District Court in D.C.

We are confident that the Mexico City Policy will ultimately survive all of these legal attacks. We urge this subcommittee, and the entire House, to also reject all legislative attempts to overturn the Mexico City Policy, especially in light of President Bush's repeatedly expressed determination to preserve this critical pro-life policy.

The United Nations Population Fund

Mr. Chairman, we encourage you to retain in the FY 1991 appropriations bill, the clause now generally referred to as the Kemp/Kasten Amendment, which provides that no population assistance funds

> may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization.

To date, the law has been triggered only by the China/UNFPA program. The UNFPA has received no U.S. funds since 1985, because its involvement in China's coercive population program violates the Kemp/Kasten provisions.

Last year, we witnessed a sustained legislative effort to exempt the UNFPA from the anti-coercion requirements of the Kemp/Kasten Amendment. This effort, which came to be known as the "Mikulski Amendment," was ultimately blocked by President Bush's veto of H.R. 2939-- a veto based largely upon the inclusion of the Mikulski Amendment in that version of the FY 1990 bill. The Mikulski provision was dropped, and a substitute FY 1990 bill (H.R. 3743), which contained the undiluted Kemp/Kasten Amendment, was promptly enacted.

The Mikulski Amendment earmarked $15 million to the UNFPA, subject only to the requirement that U.S. funds be "segregated" from the China/UNFPA program on the UNFPA's books. In effect, the Mikulski Amendment would have gutted the Kemp-Kasten Amendment by allowing the UNFPA to continue to support China's coercive program, to any degree it desires, so long as the agency does not use U.S. funds directly for China's program.

Some Members of Congress and others cited the fund-segregation provision of the Mikulski Amendment as if it ought to resolve all objections to the China/UNFPA program. In reality, of course, the Mikulski Amendment would have rendered the Kemp/Kasten Amendment a dead letter. After all, the real issue has never been whether U.S. dollars can be kept technically segregated from the compulsory abortions. Rather, the real issue is this: given that compulsory abortion permeates China's population-control program, should the U.S. subsidize an organization which believes China has a model population program? Mr. Chairman, we respectfully submit that the answer to that question is No.

If the Mikulski language, or any other such "fund-segregation" approach to the UNFPA issue were enacted, officials of China's government would immediately declare that the United States had implicitly withdrawn its past criticisms of China's population-control program-- and officials of the UNFPA would undoubtedLY also claim that their posture towards China had been vindicated. Moreover, a resumption of funding would be a signal to other governments and to other international organizations that the U.S. is no longer seriously opposed to the use of coercion in population-control programs.

In describing the unacceptability of such "fund-segregation" proposals, I do not believe I can do better than quote from President Bush's veto message on H.R. 2939. The President said, in part:

> The bill would also require the use of appropriated funds to support the United Nations Fund for Population Activities, which supports and participates in the management of a program in a foreign nation that involves coercive abortion. [...]
>
> Let me restate my strong support for international family planning programs, and my view that the United States should support such efforts so long as they do not violate Kemp-Kasten or other established policies of the U.S. Government.
>
> Unfortunately, the Congress has inserted in the bill the so-called Mikulski Amendment, which would fatally weaken the integrity of the Kemp-Kasten anti-coercion provision by earmarking funds for the United Nations Fund, the only organization that has ever been determined to violate that provision. The Fund participates in and strongly defends the program of a particular foreign government which relies heavily upon compulsory abortion. This fund has received no United States assistance since 1985, precisely because of its involvement in this coercive abortion policy. The current bill thus represents a radical and unwarranted change in policy.
>
> The Mikulski Amendment is rendered no more acceptable by a clause which rights requires the Fund to keep its books in a manner so as to prevent the direct flow of United States assistance to the particular foreign government. The current Kemp-Kasten law tells all family planning organizations that they must refrain from supporting coercive programs, or the United States will direct its resources to alternative organizations which respect the fundamental principle of voluntariness. The bill would negate this essential human rights principle through substitution of a simple accounting requirement, and I find this unacceptable. The bookkeeping provision would clearly place the United States in the position of supporting a program that in turn supports coercive abortions, a program that is inconsistent with American values. Such support would undermine our position that family planning must be voluntary and would contradict the human rights character of our foreign policy around the world.

China's Policies: From Bad to Worse

Each year since 1985, USAID has determined that China's program is systematically coercive. The USAID findings have been backed up by extensive documentation from intelligence, diplomatic, and journalistic sources. In 1988, USAID's determination was buttressed by a 100-page white paper, consisting largely of recent official pronouncements by Chinese population control officials, compiled by career China specialists in the U.S. Bureau of the Census.

This subcommittee has previously been presented with extensive testimony and documentation, demonstrating that China's population-control program is driven by systematic coercion, including compulsory abortion on a massive scale.

Unfortunately, the situation has not improved. The recently released State Department human rights report (pages 807-810) found that China continues to systematically employ coercion in its population-control program, and to impose "severe sanctions on those who deviate from official guidelines." According to the report, China "maintains a comprehensive and highly intrusive family planning program... with severe sanctions against those who deviate from official guidelines." The report speaks of "severe psychological pressure on those who resist," and continues: "Disciplinary measures against couples who violate the policy include stiff fines (often as high as a year's salary), withholding of social services, demotion and other administrative punishments. If a unit exceeds its [birth] allocation, punishment may be meted out to the offending couples, to unit officials and to the unit as a whole. Some local officials have reportedly destroyed or confiscated the private property of families with unauthorized children if fines are not paid."

The report also notes that several Chinese couples have been granted asylum in the United States based on well-documented pressure to submit to abortion-- a matter on which this subcommittee received first-hand testimony last year.

The report states that "physical compulsion to submit to abortion or sterilization is not authorized, but continues to occur as officials strive to meet population targets" (emphasis added). While insisting that they punish officials who commit "abuses," Chinese officials "have refused to provide documentation of any punishments," the report says.

The report cites evidences leading "some observers to suggest that China may be entering a new cycle of strict enforcement of family planning policies, after a period of relative relaxation."

Recently, Chinese government officials publicly conceded that they rely on coercive abortion and sterilization in one component of their population-control program-- the eugenics component. As The New York Times reported in a page one story on Nov. 21, 1989, Gansu Province has adopted a law prohibiting people with severe mental handicaps from having children. Provincial officials admit that they are "aggressively enforcing" the law, which requires retarded people to submit to sterilization and/or abortion. On February 24, 1990, the Associated Press reported that Liaoning province has also enacted such a law. According to The New York Times, the national legislature may adopt a similar law.

The Times story provoked The Hartford Courant, generally a critic of the Bush Administration's anti-abortion stand, to editorialize: "The [Chinese eugenics] policy should be bad enough to persuade the United Nations to withdraw its support for China's population-control efforts until human-rights reforms are enacted... When a government attempts to 'raise the quality of the population' by enforcing sterilization, it's time for the rest of the world to react. Withdrawing United Nations support for China's 'family planning' is a good place to start."

The Role of the UNFPA in China's Program

Mr. Chairman, from about 1984 through 1987, the years in which Congress first grappled with the matter of China's population policies, there were many within and outside of Congress who vigorously defended China's population program. These voices claimed that reports of coerced abortion represented merely "isolated abuses," supposedly condemned by China's government, but (it was said) blown out of proportion by groups such as ours. In contrast, during last year's debate, some of the leading congressional defenders of the UNFPA went out of their way to condemn the government of China for the very coercive policies which they had denied existed a few years earlier. Rather than continue to defend China's program, the pro-UNFPA forces now argued that the UNFPA is worthy of U.S. funding notwithstanding the agency's support for an admittedly coercive program in China.

The defenders of the UNFPA marshaled several arguments as to why, in their view, the UNFPA's role in China should not disqualify the UNFPA from receiving U.S. funds.

First, there were many attempts to understate the nature and the degree of the UNFPA's involvement in China's program. For example, last Sept. 19 a Washington Post editorial erroneously stated that the UNFPA's contribution to China is "all used for research in contraceptive technology." Even if that were true, it would not ameliorate the fact that top officials of the UNFPA have vigorously defended China's population program against all critics, or that the UNFPA points to China as a model for other developing nations. But, it is not true. After an in-depth review, USAID concluded in 1985 that "the kind and quality of assistance provided by UNFPA contributed significantly to China's ability to manage and implement a population program in which coercion was pervasive," and this remains the case.

USAID's conclusion on this point of the Kemp-Kasten law was upheld by a three-judge panel of the U.S. Court of Appeals for the District of Columbia. In an opinion written by Judge Abner Mikva, the panel unanimously ruled that the USAID administrator's sworn explanation "of how the UNFPA's activities in China aid the aspects of China's program that Congress condemned amply supports his conclusion that funding UNFPA is prohibited by the [Kemp/Kasten] amendment." [Population Institute v. McPherson, Civil Action No. 85-6042, August 12, 1986, p. 23.]

According to the UNFPA's own annual report for 1988, ongoing UNFPA activities in China include participation in the "State Family Planning Commission," the headquarters which oversees enforcement of the nationwide "one-child" program, and funding of "national training facilities for family planning professionals and family planning administrative personnel"-- which is to say, the "commissioned officers" who are enforcing the coercive population policies.

The UNFPA has essentially dismissed U.S. concerns regarding coercion in the China/UNFPA program. UNFPA projects are approved by the U.N. Development Programme (UNDP) Governing Council, on which the U.S. holds a seat. In June, 1989, the Governing Council-- ignoring a protest from the U.S. delegate-- approved a five-year, $57-million extension of the UNFPA presence in China. Some congressional UNFPA supporters last year actually cited this action as a reason to restore U.S. funding to the agency-- since, they argued, the proposed U.S. contribution would not increase the $57 million commitment which had been approved over U.S. objections!

In our view, this amounted to an argument that the UNFPA should be rewarded for its intransigence in ignoring U.S. human-rights concerns, and for extending its involvement in China despite overwhelming evidence of systematic coercion.

Proponents of funding the UNFPA often quote UNFPA assurances that the agency does not support "abortion programs" anywhere in the world. The UNFPA does make such a claim-- but then, the UNFPA has also repeatedly proclaimed that China's population program is "purely voluntary." In reality, the UNFPA's enthusiastic support for China's population program is support for an "abortion program," since coercive abortion is a primary mechanism by which the "birth-quota" system is enforced. (The UNFPA has also admitted to funding studies on the abortion pill, RU 486, which is used in France only to induce abortions between four and seven weeks.)

During last year's congressional debate, The Population Institute (which receives major funding from the UNFPA) distributed handouts listing 22 countries in Latin America and Africa "with which the U.S. has no bilateral agreement and are served by UNFPA." The reader was left to draw the conclusion-- and many Members did-- that these nations would be denied U.S. population assistance unless the U.S. resumed participation in the UNFPA. In fact, however, 21 of the 22 Latin American and African nations listed do receive U.S. population assistance-- not bilaterally, but via private voluntary organizations and other mechanisms.

Moreover, as USAID has consistently emphasized, all funds denied to the UNFPA since 1985 have been re-directed to other family-planning projects, such as the International Planned Parenthood Federation-Western Hemisphere.

Finally, it is noteworthy that at least one defender of the UNFPA last year ventured the remarkable claim that the UNFPA has been a critic of

China's coercive policies. I refer to a statement made by Congressman Chet Atkins during the floor debate of November 16, 1989, as follows:

> "The UNFPA has been the clearest, most consistent voice against the coercive programs in China. The single most effective way that we can change the policies in China is to join our voice with the UNFPA." [Congressional Record, Nov. 16, 1989, H 8830.]

Mr. Atkins's statement is completely at variance with the public record. In a letter to Mr. Atkins last December, we challenged him to cite even a single example of a statement by a senior UNFPA official condemning China's coercive practices. We have received no answer. I believe that no such statement exists. Far from being a "consistent voice against the coercive programs in China," to our knowledge the UNFPA has never criticized the Chinese government's coercive policies. Indeed, from 1979 to date, top UNFPA officials have consistently denied that the Chinese government employs any objectionable methods, and have repeatedly spoken in glowing terms of the program as a success story which other developing nations should emulate.

For example: in 1983, a committee chaired by UNFPA Executive Director Rafael Salas gave China's family-planning minister the U.N. population award.

In a speech on Capitol Hill on April 8, 1986, then-UNFPA Executive Director Rafael Salas said of China:

> "We have no reports, really, of violations in this respect. And if you refer to China, I am very sure that the Chinese themselves will say that, within their cultural norms, they are not at all coercive. Maybe from certain Western standards, these might not be totally acceptable. But then, each country must determine that for themselves."

As recently as November 21, 1989, current UNFPA Executive Director Nafis Sadik said in a interview on CBS Nightwatch:

> "The implementation of the policy [in China] and the acceptance of the policy is purely voluntary. There is no such thing as, you know, a license to have a birth and so on." [complete transcript available]

Other such actions and statements, from 1979 through 1989, are cited in materials which have been submitted to this subcommittee.

Mr. Chairman, I conclude with another word regarding the unacceptability of proposals to restore funding to the UNFPA under various bookkeeping devices, such as those proposed last year by Sen. Mikulski, or this year by Congressman Kostmayer. Many of the supporters of these "fund-segregation" proposals apparently do not regard China's compulsory abortion policies as a serious human-rights issue. If they really regarded compulsory abortion as a serious human-rights issue, they would never be satisfied with merely cosmetic sanctions against an international organization which supports such a program. Would they advocate funding an international police organization which gave China's government the 1989 award for crowd-control techniques, so long as the agency did not channel those funds to China? I think not. Would the environmental organizations which supported the Mikulski Amendment acquiesce in U.S. funding of a hypothetical U.N. agency that traffics in elephant ivory, so long as the elephant poaching was done with funds obtained from non-U.S. sources? I don't think so.

By the same token, NRLC opposes U.S. participation in the UNFPA, so long as the UNFPA supports, or participates in the management of, a program of compulsory abortion.

Compulsory abortion is both a moral issue and a human-rights issue; it is not a fiscal matter which can be finessed with meaningless bookkeeping tricks. Therefore, NRLC urges this subcommittee and the entire House to reject any proposals to weaken the Kemp/Kasten Amendment or to mandate U.S. funding for the UNFPA.

#######

Attachments on the China/UNFPA Issue

1. "Population Prizes from U.N. Assailed," New York Times, July 24, 1983.

2. "Chinese Region Uses New Law to Sterilize Mentally Retarded," New York Times, Nov. 21, 1989.

3. Letter to the Honorable Chester Atkins, Dec. 22, 1989

4. Transcript of debate between NRLC Legislative Director Douglas Johnson and UNFPA Executive Director Nafis Sadik, CBS Nightwatch, Nov. 21, 1989.

5. NRLC factsheet on the UNFPA program in China (Nov. 7, 1989).

THE NEW YORK TIMES
JULY 24, 1983

JUL 24 1983

POPULATION PRIZES FROM U.N. ASSAILED

U.S. Economist Terms Awards to Mrs. Gandhi and Chinese Family Chief a Travesty

By BERNARD D. NOSSITER
Special to The New York Times

UNITED NATIONS, N.Y., July 23 — Two $12,500 awards given by a United Nations population agency to Prime Minister Indira Gandhi of India and to China's family planning chief have been denounced as a travesty by a United States economist whom the agency enlisted as an adviser.

The economist, Theodore W. Shultz of Chicago, said that the United Nations Fund for Population Activities had ignored the recommendations of private consultants and rewarded two nations that have used brutal methods to curb population growth. Mr. Shultz, a recipient of the Nobel Memorial Prize in Economic Science, told the agency to remove his name from any material involving the prize.

In a letter to Rafael M. Salas, the Fund's executive director, Mr. Shultz said the awards would damage family planning programs.

"The harm was done by awarding the prize to a public official in China where public policy is responsible for the appallingly high rate of female infanticide and a prize to the head of state of India despite her cruel mandated sterilization," Mr. Shultz wrote.

Forced Sterilization

During the emergency rule she imposed on India from 1975 to 1977, Mrs. Gandhi's Government was accused of forcing men in villages to undergo sterilization. China, whose family planning minister, Qian Xinzhong, received the other award, uses a system of punishment for couples who have two or more children. Women carrying a second child who refuse an abortion can lose 20 percent of their pay.

Mr. Shultz, in a telephone interview, said this policy had caused "a large increase in female infanticide."

against her were exaggerated, but they are among the reasons given for her defeat in elections in 1977. The Chinese Government has said female infanticide stems from a "feudal mentality" and that those who practice it would be punished.

Mr. Schultz said he was one of five advisers chosen by the United Nations Fund for Population Activities to help a committee of diplomats who chose the winners of the prize. He appeared at a meeting in New York last March after studying the files of about 30 nominees, he said. The diplomats, he said, announced they would only consider heads of state or high officials for the prize, which is given for "the most outstanding contribution to the awareness of population questions."

*

"None of the qualified nominees is a head of state or high public official," Mr. Shultz said in the interview. "The decision of the committee was totally self-serving. As state-appointed members, they decided to court the favor of those to whom they are beholden regardless of the excellent qualifications of other nominees."

U.N. Defends Awards

Mr. Salas, the director of the United Nations Fund, defended the awards in a telephone conversation from Tokyo. He female infanticide is outlawed in China and its "official policy is family planning." He said Mr. Schultz's charge that the harshness of this program encourages killing of female children "is an inference."

Mr. Salas acknowledged there "were such accusations" of forced sterilization in India under Mrs. Gandhi in the past, but added, "There is no such complaint in India today." Mr. Salas said his committee had limited its consideration for this year's awards to "public statesmen," but he denied the judges had engaged in self-promotion.

The chairman of the committee, Anwarul Karim Chowdhury of Bangladesh, declined to make any comment.

The other diplomats who served as judges came from Australia, Mexico, Yugoslavia, Japan, Egypt, Burundi, Colombia, China and Tunisia.

THE NEW YORK TIMES, TUESDAY, NOVEMBER 21, 1989 p. A 1

Chinese Region Uses New Law to Sterilize Mentally Retarded

By NICHOLAS D. KRISTOF

Special to The New York Times

LANZHOU, China — The provincial government in this poverty-stricken region of northwestern China is aggressively enforcing a new law requiring the sterilization of mentally retarded people.

So far this year, officials here say, more than 1,000 people have been sterilized under the law, which requires people with significant mental retardation to be sterilized if they are married or intend to be married. If the couple evade the law and the woman becomes pregnant, she must have an abortion.

The law was approved by the provincial Parliament a year ago and took effect at the beginning of the year here in Gansu province, where it directly affects about 30,000 retarded people out of a population of 21 million.

The law has been hailed nationwide, and officials say that the national Legislature and half a dozen provincial governments are thinking of adopting similar legislation. Several provinces have sent delegations here to study the measure as they consider drafting their own laws.

"The purpose of the law is to raise the quality of our population and of our nation," Miao Xia, the deputy head of the Gansu Province Family Planning mittee for a Free World, Midge Decter, also said today that the letter was an obvious forgery, adding that she "burst out laughing" when she heard about the allegations.

In India's charged political atmosphere, accusations of involvement with American intelligence agencies can be extremely damaging, regardless of their veracity.

The politician who made the charges and provided the newspaper with the documents, Subramaniam Swamy, is nominally in the opposition but has apparently been assisting supporters of Prime Minister Rajiv Gandhi.

Mr. Moynihan, who held up a copy of the letter, said the letterhead was "obviously" 9 or 10 years old because it listed as members of the Committee for the Free World people who are now dead or hold different titles.

In addition, he said, the handwriting and terminology used in the letter did not match that of the ostensible author, Irving Kristol, the conservative commentator, whom Mr. Moynihan described as a close friend.

Association, said in an interview. "We want to solve the poverty problem in part by raising the quality of the population."

As Miss Miao acknowledged, however, the new law raises questions of morality and the role of legislation: Does society have a right to force people to be sterilized? If a citizen has committed no crime, but happens to be retarded, can the state intervene to the point of forcing sterilization or an abortion?

Different Views in the West

The law is an echo of the eugenics movement in the West earlier in this century. Tens of thousands of "mental defectives" were sterilized across the United States, mostly between the 1920's and the 1950's.

In Virginia, which kept records, about 8,300 were sterilized between 1924 and 1972 under a state law providing for compulsory sterilization of the mentally disabled. The law was upheld in a landmark Supreme Court ruling of 1927 in which Justice Oliver Wendell Holmes made a now notorious comment: "Three generations of imbeciles are enough."

In Nazi Germany, a system of eugenic health courts ordered the sterilizations of more than half a million people from 1933 to 1940. They were judged by the courts to be suffering from mental retardation, physical deformities, schizophrenia and other illnesses.

In most Western countries, such sterilization programs have been sharply curtailed in response to public furor. The Chinese sterilization law could escalate longstanding complaints by the United States Government over China's population control policies, which seek to limit the number of children born and impose penalties on couples who violate the rule.

[President Bush vetoed a $14.6 billion foreign aid bill Sunday night, objecting specifically to an allocation of $15 million for the United Nations Population Fund. Foes of abortion in the United States have opposed its financing on the ground that the agency performs work in China, whose population program includes abortion and sterilization.]

Individual Vs. Society

But in China there has been almost no public reaction to the sterilization law. Some Chinese intellectuals observe that their nation is inspired not by the notion of an individual's rights, or theories of social contract that limit the state, but by a Confucian heritage in which the individual is subordinated to the good of society.

Before the law was approved, the discussion centered not so much on ethics as on practical questions such as how the law would be enforced, and whether the mentally retarded were likely to have mentally retarded children.

How the Law Applies

"Some people said that ordinary people can have an idiot for a child, while two idiots can have an ordinary child," said Wang Jian, the Secretary General of the Gansu Population Studies Association. "But we explained that even if their child is normal, it will carry a gene for idiocy."

The degree to which mental retardation is hereditary has been vigorously debated in the West, and no clear consensus has emerged.

The Chinese provincial law applies to people with moderate or serious mental retardation, such as those with an IQ of 49 or below. The retardation must be congenital and must be confirmed by a doctor.

The law has initially been put into effect in four particularly poor counties in Gansu, and has been accompanied by a major publicity campaign to convince people of the measure's importance. The arguments are not aimed at the mentally retarded themselves, for they are deemed insufficiently aware to react much one way or another, but at their families.

Many of the mentally retarded are married to people of average mental ability, and their spouses have not been enthusiastic about the law, some officials acknowledge. While their partners would not have to be sterilized themselves, they would be prevented from conceiving children within the marriage.

Policy Is Criticized

Two leading American geneticists say that the number of mentally retarded children would not be significantly reduced by sterilization of mentally retarded people.

"There are many causes of mental disease and deficiency — some genetic, some environmental, some simple and some complex," said Dr. James F. Crow, emeritus professor of genetics at the University of Wisconsin. "The Chinese program as described seems exceedingly crude."

Scientists said it was likely that less than half of the mentally retarded acquired their disability genetically.

"For a good many of these sterilizations, there would be no genetic basis," said Dr. James V. Neel, professor of human genetics at the University of Michigan.

About 1 percent of the world population suffers from mental retardation. Dr. Neel estimated that it would take approximately 20 generations to reduce the frequency of a gene from 1 percent of the population to one-tenth of 1 percent.

Although scientists said the Chinese plan had little scientific merit, they suggested that sociological arguments could be made for such a plan. For example, "one can argue that affected persons do not provide a good environment for their children and should not have them for that reason," Dr. Crow said.

MONGOLIA
Beijing
Xincheng
GANSU PROVINCE
Shanghai
CHINA
0 Miles 400

The New York Times/Nov. 21, 1989

Other areas may follow sterilization policy adopted in Lanzhou.

national
RIGHT TO LIFE
committee, inc.
Suite 500, 419 7th Street, N.W.
Washington, D.C. 20004-2293 — (202) 626-8800 (FAX) 737 9189 or 347 5907

December 22, 1989

COPY

The Honorable Chester G. Atkins
U.S. House of Representatives
504 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Atkins:

During the recent congressional debate on the United Nations Population Fund (UNFPA), you were among the most vocal advocates of the Mikulski Amendment, which would have restored U.S. funding to the UNFPA despite the UNFPA's continuing participation in the population-control program of the People's Republic of China. As you know, on November 19 President Bush vetoed the foreign aid appropriations bill (HR 2939), thereby preventing enactment of the Mikulski Amendment. The President said that U.S. funding of the UNFPA "would undermine our position that family planning must be voluntary, and would contradict the human rights character of our foreign policy around the world."

Certain public statements which you made on this issue appear to us to be irreconcilable with the public record. For example, in an op ed piece published in the Boston Globe, you wrote, "In no country, including China, was there ever a finding that UNFPA's programs violated US law." This statement is erroneous. Following enactment of the Kemp-Inouye anti-coercion amendment (now called the Kemp-Kasten Amendment) in August, 1985, the U.S. Agency for International Development conducted a thorough review of the UNFPA's activities in China. The agency concluded, as stated by AID Administrator M. Peter McPherson in his 13-page sworn statement to the U.S. Court of Appeals for the District of Columbia (Nov. 25, 1985): "It is my conclusion that UNFPA participates in the management of a program of coercive abortion and involuntary sterilization in the People's Republic of China, within the meaning of the Kemp/Inouye Amendment."

Moreover, a three-judge panel of the U.S. Court of Appeals for the District of Columbia unanimously upheld Mr. McPherson's determination, in an opinion written by perhaps the most liberal member of the court, Judge Abner Mikva. McPherson's "careful explanation of how the UNFPA's activities in China aid the aspects of China's program that Congress condemned amply supports his conclusion that funding UNFPA is prohibited by the amendment," the court ruled. [Population Institute v. M. Peter McPherson, No. 85-6042, 1986]

In the light of this well-known decision, why did you write that the UNFPA's program in China has never been found to violate U.S. law?

In your op ed piece, you quote a statement made by Mr. McPherson in March, 1985, that "UNFPA neither funds abortions nor supports coercive family planning practices through its programs." This March, 1985 declaration was based mainly on the verbal assurances given by UNFPA officials. Enactment of the Kemp-Kasten anti-coercion amendment in August, 1985, required USAID to conduct a fresh and comprehensive review of the UNFPA's involvement in China's coercive program, which led to an official determination by McPherson that the UNFPA was in violation of the law because "although UNFPA did not directly finance abortion or coercive abortion in China, the kind and quality of assistance provided by UNFPA contributed significantly to China's ability to manage and implement a population program in which coercion was pervasive." As noted above, that determination was upheld by the nation's second-highest court. Moreover, USAID has reviewed the China/UNFPA program in each subsequent year, and has annually declared that there have been no changes which would warrant a resumption of U.S. support for the UNFPA.

Don't you think it is misleading to quote Mr. McPherson's March, 1985 statement, while ignoring the later official declarations which were base on much more comprehensive reviews of the China/UNFPA program?

Finally, during debate on the UNFPA issue on November 16, you told the House:

> "The UNFPA has been the clearest, most consistent voice against the coercive programs in China. The single most effective way that we can change the policies in China is to join our voice with the UNFPA." [Congressional Record, Nov. 16, 1989, H 8830.]

This statement is completely at variance with the public record. The UNFPA has never criticized the Chinese government's "coercive programs"-- much less functioned as a "consistent voice" against those programs. In truth, from 1979 to date, top UNFPA officials have consistently denied that the Chinese government employs any objectionable methods, and they continue to hold China's program up as a model for other developing countries. We have in the past provided your office with extensive documentation of such statements and actions. Here, space allows only two examples. In a speech on Capitol Hill on April 8, 1986, then-UNFPA Executive Director Rafael Salas said of China:

> "We have no reports, really, of violations in this respect. And if you refer to China, I am very sure that the Chinese themselves will say that, within their cultural norms, they are not at all coercive. Maybe from certain Western standards, these might not be totally acceptable. But then, each country must determine that for themselves."

On November 21, 1989, current UNFPA Executive Director Nafis Sadik said in a televised interview:

> "The implementation of the policy [in China] and the acceptance of the policy is purely voluntary. There is no such thing as, you know, a license to have a birth and so on."
> [CBS Nightwatch, taped Nov. 21, 1989. Transcript available.]

We challenge you to cite any public statement by a senior UNFPA official condemning China's coercive population-control policies, to back up the statement which you made on the House floor on November 16.

Thank you for your consideration of these requests.

Sincerely,

douglas johnson

Douglas Johnson
Legislative Director

SHOULD THE U.S. PARTICIPATE IN THE U.N. POPULATION FUND?

An Exchange Between

Douglas Johnson, Legislative Director, National Right to Life Committee

and

Nafis Sadik, Executive Director, United Nations Population Fund (UNFPA)

On CBS Nightwatch

(Recorded Nov. 21, 1989. First broadcast Nov. 22, 1989.)

Tim White [temporary Nightwatch host]: Good morning. Earlier this week, President Bush made it clear just how much he opposes abortion. He vetoed the foreign aid bill because it included money for the U.N. Population Fund. That Fund gives assistance to China, among other countries, which has been accused of using forced abortions and sterilization for population control. The foreign aid bill has since been passed without the money to the U.N. agency. But the changing role of the United States regarding family planning organizations remains clear. Some 20 years ago, the U.S. was a founding member and major sponsor of the U.N. Fund for Population Activities, now called the Population Fund.

We want to look today at whether there has been an evolution in American thinking toward the Fund and what the agency does around the globe.

Douglas Johnson is with us. Mr. Johnson is the legislative director for the National Right to Life Committee. And joining us from New York is Dr. Nafis Sadik, the director of the United Nations Population Fund. She is the highest ranking woman in the United Nations. Thanks to both of you.

First, Mr. Johnson, to you. National Right to Life has been very active in helping President Bush, ah, veto this particular portion of the foreign aid bill, the whole bill, and then removing the portion that he found offensive. What did the President object to? What was the wording the President objected to in terms of funding for the United Nations?

Johnson: The President objected specifically, Tim, to the involvement of the United Nations Population Fund-- or UNFPA, as it's called-- the involvement of that agency in China's coercive abortion program.

Now, there are really two questions here. The first question is, what kind of a program does China have? And it's important to understand that, before we get to the U.N. issue. The China program is a program that is centralized in Beijing. It is run throughout the country. It is what you might call a "birth-license" policy. They do not permit people to have children without a license from the government. And most couples are limited to one child throughout their married lives.

Sadik: [Interrupting] I don't think that that is entirely true.

White: Alright, Dr. Sadik, would you like to weigh in at this point?

Sadik: The population policy in China was evolved over a period of time. It was in 1979 that they had a discussion at all levels in their administrative setup to decide and determine, on the basis of grassroot discussion, what the population policy should be. And it was then in 1980 that they decided on a one-child-family policy. But, as the government in China has reiterated many many times, and as our own Governing Council [UNDP Governing Council], which is composed of 48 member governments, has determined as well, the [Chinese] government program is not a coercive policy. In fact, the last year's survey, 1988,showed that only about something like 27 percent of the total number of births were first order births. That's the first child. And all the other births, that's about 73 percent, were second or even third children born to couples. And...

White: [Interrupting] Alright, Dr. Sadik, very good, Dr. Sadik, yes, yes, Dr. Sadik, excuse me just a moment, excuse me just a moment. Because it seems to me that we need to get to the matter of coercive or not coercive. In the veto message that the President sent back to Congress, President Bush said "the Fund participates in and strongly defends the program of a particular foreign government"--he means China here-- "which relies heavily upon compulsory abortion." Now, is that a misunderstanding on the President's part?

Sadik: Yes, I believe that it is a misunderstanding, because there were some cases several years ago in which there were some overzealous officials that tried to persuade or overpersuade people to have abortions. But these where brought to the notice of the authorities, and the publication of these reports was done by the government itself, both at the provincial level and at the national level, and they had taken many steps to stop that.

White: Very good. Mr. Johnson, is it clear to you that there is a misunderstanding here?

Johnson: There is no misunderstanding. Dr. Sadik, with all due respect, you are one of the few people in this debate who is still defending the population policy of the Peoples' Republic of China, and stating that it's voluntary. Even the pro-abortion side in the Congress universally condemned the policy in this week's debate -- even those that favored funding your organization.

On the front page of today's New York Times is a story which reports that the Chinese government is now moving towards compulsory sterilization for all retarded people, which also violates U.S. law.

There is a mountain of evidence, Tim, that the policy is coercive. The real issue here, then, is what is the role of Dr. Sadik's agency in this policy?

White: Alright, well let's take it a little bit further. Dr. Sadik, could you explain from your point of view and the U.N.'s point of view, what is a coercive abortion policy and what is a voluntary policy?

CBS NIGHTWATCH ON U.N. POPULATION FUND, NOV. 21, 1989, PAGE 3

Sadik: The government's policy is a one-child policy-- as in many other countries they have two-child policies, three-child policies. The policy is, you know, to influence, to educate, to persuade people to just have one child, because that is in the interest of the country. But the implementation of the policy and the acceptance of that policy is purely voluntary.

There is no such thing as, you know, a license to have a birth and so on. They have some incentives, and they have some disincentives for people who have or do not have one or more children, as there are in all societies. The fact that the Congress . . .

Johnson: [off camera, interrupting] Well, let's speak of some of these "disincentives."

White: What are the disincentives? Mr. Johnson raises the question -- I think it's a fair question -- what are the disincentives, Doctor?

Sadik: Well, everyone that agrees to have one child, at local level or commune or whatever, is guaranteed that that child will get, you know, preferential in schooling, in employment . . .

Johnson: And if they do not agree, Doctor?

Sadik: Sorry?

Johnson: And if they do not agree?

Sadik: And if they don't, if they want to have, you know, two or more children, then only for the first will that be allowed, but for the second and the third . . .

Johnson: [Interrupting] So they are denied health care. They are denied schooling...

White: Let her finish, Mr. Johnson, please.

Sadik: They will then be allowed -- they can pay for the schooling and for whatever. But, you know, and employment in fact is now open because they have now freed up the economy-- though employment opportunities are not guaranteed by the government.

White: [Interrupting] Alright, Doctor--Dr. Sadik, hold on. Hold on just a second, Mr. Johnson. Stay with us, we are going to take a break, and we will be right back. The issue has to do with the U.S. disallowing money to go to the United Nations for what have been called coercive abortions. We'll take the issue further in just a moment when "Nightwatch" continues.

[break]

Voice-over: Still to come on "Nightwatch," more on the debate over family planning, the vision of Jack Kemp, a writer's double life, and "Mr. Blues." Now, in Washington, filling in for Charlie Rose, here is Tim White.

White: We're here back on "Nightwatch." Dr. Sadik is in New York with the

United Nations. Douglas Johnson of National Right to Life is here with us in the studio. You were concerned, Mr. Johnson, that Dr. Sadik's points about what is and what is not a coercive abortion policy in China was not being represented fully?

Johnson: There is no longer really any dispute, Tim, about the nature of the China policy. Both sides in Congress rose this week to condemn the China policy in the strongest terms. I have here a hundred-page review of official Chinese government documents, prepared by career China specialists in our [the U.S.] Census Bureau, and these China decrees, official government decrees, say that all unauthorized pregnancies will be aborted. We are talking not about isolated abuses, Doctor, but the systematic use of compulsory abortion as the enforcement mechanism for the one-child policy.

Sadik: [Interrupting, talking over Johnson] Mr. Johnson, I have to disagree with you, because in fact the U.S. itself, the U.S. Congress, as well as the USAID, the General Accounting Office, and several others have reviewed the UNFPA/China program and the China program itself, and have then recommended that it does not . . .

White: [Interrupting, speaking over Dr. Sadik] Let... let... no... no... Dr. Sadik, excuse me. I would like, yes, Dr. Sadik, I need to buttress your argument for just a moment, and let Mr. Johnson address something. Peter McPherson, the former director of the Agency for International Development [USAID], did oversee and review an AID investigation of the policies in China, and AID said there was very little basis to believe some of what you have there as evidence.

Johnson: Tim, that's not what happened. That was an early 1985, when AID was simply repeating what Dr. Sadik's agency was saying. After the law [the Kemp-Kasten Amendment] passed in 1985...

Sadik: [Interrupting] I don't think that you can say...

Johnson: [Interrupting] Excuse me, Doctor, I let you speak. After the law was passed in 1985, the government conducted an exhaustive review, cut off the funds to Dr. Sadik's agency, and that determination was upheld by the second highest court in the United States. The position that Dr. Sadik just articulated is not the position of AID. They have ruled each year since 1985 that the UNFPA is supporting a program of compulsory abortion in China.

[NOTE: In a sworn statement submitted to the U.S. Court of Appeals for the District of Columbia, dated November 25, 1985, AID Administrator Peter McPherson stated, "It is my conclusion that UNFPA participates in the management of a program of coercive abortion and involuntary sterilization in the People's Republic of China." The court agreed, ruling that the evidence submitted by AID "amply supports" AID's cutoff of funds to the UNFPA. Population Institute v. McPherson, case No. 85-6042, August 12, 1986. These documents, and others demonstrating the UNFPA's role in China's coercive abortion program, are available upon request from the National Right to Life Committee, 419 Seventh Street N.W., Suite 500, Washington, D.C. 20004.]

White: Dr. Sadik, let me ask you this, is the U.N. position on abortion, coercive abortion, is it the same as the Chinese government's position?

Sadik: Well, the UNFPA does not support any abortion programs anywhere in the world, because our governing council and our, you know, the governments have determined that abortion should not be used or promoted as a method of family planning. So we are not supporting abortion programs anywhere, and certainly we are not supporting coercion in any form or whatever, in any program in the world. I and think that is very well known to the Congress, and to everyone else. I think the Congress is trying to get the money . . .

White: [Interrupting] Well, let me ask you this, Dr. Sadik what are you doing then, ma'm. Please hear me out-- because you are not going to get money from the United States now for the Population Fund. How is that going to impact the programs you have in other countries, and what is the nature of those programs that you have in other countries?

Sadik: Well, in all of the countries, including China, our program in usually a multidisciplinary program. We help countries with their population policies and implement their population programs. We provide assistance for maternal child health and family planning programs. We help them with data collection, so that they understand what their population situation is. We help them with putting population variables into their development strategies and their development programs. We have information, education, and communication programs, you know, in health education, population education, and communications of various kinds on population, environment, and other related issues. And then we support also some special programs, like special programs for women to raise their status, their role because that has a very strong influence . . .

White: [Interrupting] Fine. And what will be the impact of the failure of the United States' money to arrive? What would be the impact on your programs?

Sadik: Well, the failure of the United States' money to arrive will just result in a reduction in the scope and the size of our programs in about 120 countries around the world, including, for example, several countries in Africa, several in the Middle East. We have programs, you know, in . . .

White: Well, are you going to be able to carry those programs out, though, Dr. Sadik?

Sadik: We'll just have to reduce the scale of those programs.

White: Reduced the scale. Alright. Does National Right to Life, in this country, Mr. Johnson, does National Right to Life have an objection to the non-coercive programs that Dr. Sadik just been describing?

Johnson: National Right to Life takes no position on contraception. Our concern is entirely with abortion-- and compulsory abortion in this case. It is very important to understand that all of the funds that have been denied to Dr. Sadik's organization since 1985, because of their participation in the coercive China program, all of those funds have been rechanneled to other voluntary family planning activities. For example . . .

Sadik: [Interrupting] But . . .

Johnson: Excuse me, Doctor. For example, international Planned Parenthood Federation in Latin America, the Population Council, and others. None of these funds are being lost to family planning. They are being denied to Dr. Sadik's organization specifically because the AID-- that is the agency of the government that administers these programs-- has found upon exhaustive review that her program . . .

Sadik: [Interrupting] That is not correct. I have to disagree with that.

Johnson: ... is deeply involved, deeply involved in the coercive program in China.

White: Alright. We have a couple of minutes remaining. Let Dr. Sadik reply.

Sadik: I have to disagree very strongly with the statement that the exhaustive reviews have found that we are deeply involved in any kind of abortion, first of all, and coercion in particular. It is absolutely to the contrary. They have found that we have, you know, very little evidence to show that we have any involvement with abortion or the management of any kind of a program.

Johnson: [Interrupting] Then why did the American courts cut off your funds?

Sadik: Oh, American courts didn't cut off the funds. I think it's more a domestic problem. It's, you know, we are just being used as a means to cut off funds to family planning programs...

White: [Interrupting] Is it possible, Mr. Johnson, that by putting forward an image, at least in our discussion here, or an implied image of pregnant women being carried off to Chinese abortion clinics against their will, is it possible that by putting that image forward National Right to Life is subverting some very valuable, very viable, very effective programs that the U.N. has...

Sadik: Correct!

White: ...comprised? Doctor! Doctor, please, let Mr. Johnson answer.

Johnson: Again, all of these funds are being spent for family planning. They are simply not being directed to Dr. Sadik's agency. We heard her say earlier, "It's a totally voluntary program." The Congress, the U.S. courts, and two successive presidents have determined to the contrary.

Sadik: [Interrupting] Mr. Johnson, you're repeating yourself. But can I just make one observation?

White: Very quickly, very quickly, Doctor. We have only seconds remaining.

Sadik: The U.S. programs are reprogrammed to family planning, but there are a number of countries in which the U.S. is not involved, like Mexico, because there is not U.S. government program in Mexico. There is no U.S. government program in Turkey and several other countries. You know, the U.S. has programs in only a very limited number of countries, I think about perhaps 20 out of the 40 countries in Africa, while UNFPA has programs in 40 countries in Africa, in all of the countries in Latin American in which the U.S. is not involved, in several countries in Asia in which the U.S. is not involved. We are a international organization with programs in all countries of the world... [Note: Sadik is apparently speaking only of family planning programs funded directly by USAID-- so-called bilateral programs. But major portions of the U.S. population assistance account are channeled through private voluntary organizations, which do operate in many of the nations to which Sadik referred.]

White: Thank you for making your point, Dr. Sadik. We have run out of time. We do appreciate your joining us from New York. Thank you very much for coming to be with us.

Johnson: Good to be with you.

Sadik: Thank you very much.

White: And this dialogue will obviously continue over time. And "Nightwatch" will continue as well, in just a moment.

#######

national
RIGHT TO LIFE
committee, inc.

Suite 500, 419 7th Street, N.W.
Washington, D.C. 20004-2293 — (202) 626-8800 (FAX) 737 9189 or 347-5907

NATIONAL RIGHT TO LIFE FACTSHEET

The Role of the United Nations Population Fund (UNFPA) In the Population-Control Program of the People's Republic of China

November 7, 1989

[For further information, or copies of specific documents cited below, contact: Douglas Johnson, Legislative Director, National Right to Life Committee, 419 Seventh St., Northwest, Suite 500, Washington, D.C. 20004. (202) 626-8820.]

CONTENTS

Pages 2-3: SUMMARY HISTORY OF ISSUE AND CURRENT SITUATION
    The Nature of UNFPA's Involvement in China
    The Kemp/Kasten Amendment

Pages 4-5: THE UNFPA/CHINA RELATIONSHIP PRIOR TO 1985
    China: UNFPA's Model Population Program
    UNFPA Was Aware of China's Coercive Practices by 1983

Pages 5-10: THE UNFPA/CHINA RELATIONSHIP, 1985 TO DATE
    Details Regarding the 1985-89 UNFPA Program in China
    January, 1985: Weisskopf Series and UNFPA Response
    March, 1985: AID Withholds $10 Million from UNFPA
    U.S. Court of Appeals Upholds AID Application of Kemp/Kasten to UNFPA
    April, 1986: UNFPA Executive Director Defends China, Criticizes U.S.
    1986 AID Determination
    1987 AID Determination
    1988 AID Determination
    May, 1989: UNFPA Director Says China's Program "Totally Voluntary"
    1989 AID Determination
    President Bush's Position on Funding of UNFPA

SUMMARY HISTORY OF ISSUE AND CURRENT SITUATION

The Nature of UNFPA's Involvement in China

Since at least 1979, China's government has systematically employed coercive abortion and compulsory sterilization as population-control measures. In some areas, this regularly includes the deliberate killing of babies during the delivery process by medical personnel (as is currently occurring in Tibet).

Since at least 1981, massive and compelling evidence has been available in the public domain-- collected by reputable journalists, Sinologists, and diplomats-- demonstrating that harshly coercive measures are routinely employed in order to enforce the Chinese government's "birth quota" system. We do not recite such evidence here, because the specific subject of this factsheet is the involvement of the United Nations Population Fund (UNFPA) in China's population program. However, extensive documentation on the systematic practice of compulsory abortion in China is available upon request from the Legislative Office of the National Right to Life Committee.

From 1979 to date, the UNFPA has been deeply involved in China's population-control efforts. UNFPA officials have served continuously in China, some of them working with the State Family Planning Commission in Beijing, which oversees the entire national population-control program. UNFPA personnel help train senior Chinese family-planning officials.

Despite ongoing, rampant use of coercive measures by the Chinese government, UNFPA has not withdrawn from China. UNFPA officials have simply parroted Beijing's repeated claims that China's campaign relies on "voluntarism." We have been unable to find any criticism of China's practices by the UNFPA. On the contrary, top UNFPA officials have made frequent statements commending China for its "successful" program, and have held China up as a model for other developing countries.

The UNFPA's unwavering approval of China's population policies is illustrated by these typical pronouncements from 1981 and 1987:

> "China provides a superb example of integrating population programs with the national goals of development." UNFPA Executive Director Rafael Salas, Popline (newsletter of the UNFPA-funded Population Institute), November 1981
>
> "China is actively working to set up a model of how social and economic factors can be harnessed in a harmonious way. The government has shown its full commitment to a family planning program that has been internationally acknowledged as one of the most successful efforts in the world today." (Statement by UNFPA representative in Beijing, New China News Agency, July 11, 1987.)

The UNFPA has insisted that its contributions to China do not fund abortions, coerced or otherwise. Of course, there is no "line item" in UNFPA's program budget for "abortions." But, as discussed below, documents obtained from the UNFPA and the Agency for International Development (AID) reveal that the UNFPA is instrumentally involved in China's program from the top to the bottom.

FACTSHEET ON THE UNITED NATIONS POPULATION FUND'S CHINA PROGRAM, PAGE 3

The section on China in the UNFPA's official report for 1988 includes these paragraphs:

> "UNFPA is also supporting national training facilities for family planning professionals and for family planning administrative personnel."
>
> "In 1988, UNFPA renewed its assistance to the State Family Planning Commission in setting up a management information system to manage services and evaluate the policies and programmes."

In other words, the UNFPA continues to assist in the operations of China's State Family Planning Commission, the headquarters which manages the entire nationwide programm; and to train the "administrative personnel" which enforce China's birth quotas nationwide.

In June, 1989, the U.N. Development Programame Governing Council approved a five-year, $57 million extension of the UNFPA program in China, despite a strong objection from the U.S. delegate (see page 10).

The Kemp/Kasten Amendment

UNFPA officials have directed critical commentary not at China, but at the U.S. Congress, which in 1985 eliminated a previous "earmark" of funds for UNFPA, and also enacted the Kemp/Kasten Amendment. The Kemp/Kasten Amendment is a "rider" to the annual foreign operations appropriations bill, which denies U.S. population assistance funds to "any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization."

Because the UNFPA's deep involvement in China's coercive program violates the Kemp/Kasten Amendment, the UNFPA has received no U.S. funds since 1985. Each year, AID has issued official determinations that China's program is "systematically coercive" and includes coercive abortion, and that the UNFPA's involvement in the program renders the agency ineligible for funding under the Kemp/Kasten Amendment.

AID's annual determinations that the China/UNFPA program is pervaded by coercion have been based on extensive documentation from intelligence, diplomatic, and journalistic sources. AID's 1988 declaration (May 1988) was accompanied by a 100-page white paper, which relied heavily on translations of official Chinese government documents, prepared by career specialists at the U.S. Bureau of the Census.

THE UNFPA/CHINA RELATIONSHIP PRIOR TO 1985

China: UNFPA's Model Population Program

The UNFPA has been integrally involved with the development of China's population-control program since 1979, and has repeatedly pointed to China as a model for other developing countries.

The following information is quoted directly from "Family Planning Program in China, 1987," published by China's State Family Planning Commission:

> China's success in its population and family planning program has undoubtedly won positive recognition from the international community. Among others, China was honored with the first United Nations Population Award in 1983.
>
> In 1979, the Chinese Government and the United Nations Fund for Population Activities (UNFPA) signed a Memorandum of Understanding, under which UNFPA sponsored various projects in China for the first cycle of population and family planning assistance from 1980 to 1984. And the projects for the second cycle from 1985 to 1989 are now in operation. All the activities under the projects turned out to be beneficial for China to expand its contacts with the international population community, learn valuable experience from other countries, as well as upgrade the national research on demography and technology for birth planning.

The U.N. award, referred to in the Chinese statement above, was conferred by a committee chaired by UNFPA Executive Director Rafael Salas. The Chinese family planning minister, Qian Xinzhong, received this first-time, $12,500 award for "the most outstanding contribution to the awareness of population questions." A committee member, Nobel Laureate economist Theodore W. Schultz, resigned in protest. The New York Times (July 24, 1983) reported:

> Two $12,500 awards given by a United Nations population agency to Prime Minister Indira Gandhi of India and to China's family planning chief [Qian Xinzhong] have been denounced as a travesty by a United States economist whom the agency enlisted as an advisor. The economist, Theodore W. Shultz of Chicago, said that the United Nations Fund for Population Activities had ignored the recommendations of private consultants and rewarded two nations that have used brutal methods to curb population growth. Mr. Shultz, a recipient of the Nobel Memorial Prize in Economic Science, told the agency to remove his name from any material involving the prize. ("Population Prizes From U.N. Assailed," by Bernard D. Nossiter, The New York Times, July 24, 1983.)

In his book The Crowded Earth (Norton, 1984)-- which was funded in part by a grant from the UNFPA-- former New York Times correspondent Pranay Gupte reported on a subsequent interview with China's family planning minister, Qian Xinzhong, who "immediately launched into an appreciation of what the United Nations award meant to him and to the Chinese. The award had, Qian said, put the imprimatur of the world body on China's family-planning efforts..." (p. 156).

As Dr. John S. Aird (now retired from the China desk of the U.S. Bureau of the Census) wrote in 1985:

> Chinese authorities obviously want foreign approval of their family planning program and are sensitive to foreign criticism, but they may feel that they need not take the criticism seriously so long as prestigious organizations in the population field, such as UNFPA and IPPF [International Planned Parenthood Federation], continue to laud their success without an adequate examination of the means by which it was attained.

UNFPA Was Aware Of China's Coercive Practices By 1983

During 1980-84, the UNFPA contributed $50 million to China's program. UNFPA officials were living in China, and UNFPA experts were deeply involved in the planning and management of the program. Thus, the rampant coercive practices should have come to the attention of senior UNFPA officials at an early date.

Indeed, there is ample evidence that UNFPA officials *were* aware of widespread coercion at least by 1983. An article in the May/June 1983 issue of *Intercom*, the newsletter of the Population Reference Bureau, cited a December, 1982 central government directive requiring sterilization of women with more than two children and abortion "as quickly as possible among those who are pregnant without quota." *Intercom* reported that "UN officials contacted about the policy expressed grave misgivings" to a *Washington Post* reporter, since "official" UNFPA policy forbids support for coercive methods--but added that *"the UN has an 'out' because important Chinese family planning pronouncements often never attain 'official' status."*

THE UNFPA/CHINA RELATIONSHIP: 1985 TO DATE

Details Regarding the 1985-89 UNFPA Program in China

In 1984--*after* abundant evidence of widespread state-compelled abortions had already been published by reputable sources-- the UNDP governing council approved a second five-year, $50 million grant to China. *The Wall Street Journal* (April 9, 1984) quoted UNFPA Executive Director Salas as defending UNFPA's role on grounds that UNFPA had *no evidence* of abuses in China.

Among the specific components of the China program to be supported by UNFPA under the 1985-89 five-year plan were: "management training, logistics, management information systems, programme research and evaluation and publicity education...It also includes projects in population education in the formal and non-formal sector...UNFPA assistance would provide international consultants; training, including fellowships and study tours; and expandable and non-expendable equipment and supplies." (Source: "UNFPA Proposed Projects and Programmes: Recommendation by the Executive Director, Assistance to the Government of China," March 30, 1984.)

The 1985-89 plan also listed "strengthening the management capabilities of the State Family Planning Commission" (SFPC) as a priority. The SFPC is the central directorate of the entire population control program--the "Big

Brother" which issues the "birth quotas," which are then transmitted down through the population-control hierarchy.[1]

Among the specific items purchased by the UNFPA for the State Family Commission were millions of dollars worth of advanced computers:

> Computer hardware for the management informations system at the State Family Planning Commission and in at least 70 prefectural-level family planning offices was installed and related training conducted. (UNFPA Annual Report, 1986, page 91.)

Sophisticated computers are, no doubt, very useful to China's population overseers, as they impose their rigid "birth quotas" on a reluctant population.

January, 1985: Weisskopf Series and UNFPA Response

The awareness of many Members of Congress regarding China's population policies crossed a critical threshold in January, 1985, when The Washington Post published a lengthy three-part series on the subject. The series was written by Michael Weisskopf, who had just completed a four-year assignment as the newspaper's Beijing correspondent. The Weisskopf series-- based on over 200 interviews-- confirmed that forced abortions (often late in pregnancy) were not isolated "abuses," but were being employed systematically to enforce the government's "one-child" policy.

---

[1] China's government limits most couples to one child-- at a time determined by the government. Any woman who becomes pregnant without a "birth coupon" is compelled to have an abortion--even if it is her first pregnancy. Children conceived outside of marriage are "unauthorized" and must be aborted.

In recent years, couples in rural areas who have a girl as their first child, are theoretically eligible to apply to have a second child, but the waiting periods are on the order of four to seven years. With few other exceptions, second children must be aborted. Third children are never permitted.

Provincial and local officials who meet the "birth quotas" are rewarded; those who fail to enforce the quotas are punished. It is impossible for officials to meet the "birth quotas" without resorting to forced abortions and even infanticide. Women who manage to carry their babies to term despite official duress often see the infants killed in the delivery room, according to Washington Post reporter Michael Weisskopf, human-rights activist Dr. Blake Kerr, and other sources.

In the months which followed, the UNFPA's deep involvement in China's program came under sharp attack in Congress. The response of UNFPA Executive Director Rafael Salas was to travel to China to reassure Chinese officials of the agency's steadfast support.

> [Premier] Zhao also expressed his satisfaction over the good co-operation between China and the UN Fund for Population Activities. Salas said he and his colleagues had come to reiterate their support of China's population activities. "China should be proud of the achievements it scored in family planning," he said. [China Daily, April 26, 1985, page 1.]

March, 1985: AID Withholds $10 Million from UNFPA

Also during early 1985, AID Assistant Administrator Richard Derham conducted a review of China's population program and the UNFPA role therein. In a March 29, 1985 report to AID Administrator M. Peter McPherson, Derham wrote:

> "Based on the evidence available...there is 'probable cause' to believe that coercion, sponsored by the Government, is prevalent in the PRC's family planning program...I further conclude that the UNFPA program cannot be disentangled from the pervasive coercion of the system and that even if it could, the shadow on the PRC program would pose difficulties. Hence, I conclude that the U.S. should take strong action to dissociate itself from the China program."
> ("Information Memorandum for the Administrator", March 29, 1985)

Based on this determination, AID withheld $10 million of the $46 million in U.S. population assistance funds which previously had been intended for the UNFPA for that fiscal year (FY 1985). [This action was taken prior to enactment of the Kemp/Kasten Amendment in August, 1985. Under the Kemp/Kasten Amendment, no population assistance funds may go to an organization which supports a program of coercive abortion or involuntary sterilization.]

On July 10, 1985, the U.S. House of Representatives condemned China's population policies as "crimes against humanity" and eliminated UNFPA's "earmarked" funding, by a roll call vote of 289 to 130. (CQ roll call #196.) Shortly thereafter (August, 1985), the Kemp/Kasten Amendment was enacted as part of a supplemental appropriations bill.

Secretary of State George Shultz is known to have been directly involved in the sensitive initial determination of whether the China/UNFPA program fell under the the Kemp/Kasten Amendment. However, the final, official determination was delegated to, and issued by, AID Administrator McPherson. On September 25, 1985, McPherson formally determined that UNFPA's activities in China were impermissible under the Kemp/Kasten Amendment. AID stated:

> Mr. McPherson concluded that there is sufficient evidence to indicate that UNFPA participates in the management of the China family planning program and also that implementation of China's one-child-per-family policy has resulted in these abuses... Legislative history of this [Kemp/Kasten] amendment explains that "participation in the management of a program of coercive abortion" was specifically intended to include

> providing assistance for the collection and analysis of demographic information, training of population program managers and support for population public information systems in a country which includes coerced abortion or involuntary sterilization in the country's program. UNFPA does provide assistance to China in these general management areas. (AID news release, Sept. 25, 1985)

U.S. Court of Appeals Upholds AID Application of Kemp/Kasten to UNFPA

McPherson's determination was challenged in a lawsuit filed by the UNFPA-funded Population Institute. But after reviewing the UNFPA's specific activities in China, a three-judge panel of the U.S. Court of Appeals for the District of Columbia upheld McPherson. In a decision written by Judge Abner Mikva (formerly a pro-abortion congressman), the panel unanimously ruled that the record of UNFPA's specific activities in China "amply supports his conclusion that funding UNFPA is prohibited by the [Kemp/Kasten] amendment." (*Population Institute v. McPherson*, Civil Action No. 85-6042, decided August 12, 1986)

April 1986: UNFPA Executive Director Defends China, Criticizes U.S.

On April 8, 1986, the UNFPA-funded Population Institute conducted a "Washington Consultation on the UNFPA" on Capitol Hill, in an attempt to garner support for proposed congressional action to restore funding to the UNFPA. A major speaker was UNFPA Executive Director Rafael Salas, whose remarks were tape recorded.

Salas had not one word of criticism for China's policies, which he lauded as "successful." He leveled his rhetorical guns instead at the U.S. Congress:

> You have to leave the countries to decide for themselves. You are in no position, morally or culturally, to dictate to others what they want! It is the leaders of those countries that know best...So do not intervene and place your own moral conditions on other countries. That goes as well for China...leave the government to do that for themselves...
>
> Each country has its view of what really is free, a free choice...We have had no reports, really, of violations in this respect. And if you refer to the case of China, I am very sure that the Chinese themselves will say that, within their cultural norms, they are not at all coercive. Maybe from certain Western standards, these might not be totally acceptable. But then, each country must determine that for themselves.

1986 AID Determination

On August 28, 1986, AID Administrator McPherson announced his determination that the UNFPA's involvement in China continued to violate the Kemp/Kasten Amendment. On that basis, $25 million in FY 1986 population assistance funds which McPherson had earlier set aside for possible transmission to UNFPA were instead reprogrammed to other family planning agencies.

1987 AID Determination

On August 13, 1987, AID officially declared that there had been no significant changes in the China/UNFPA program to change the adverse judgments reached in 1985 and 1986. AID Assistant Administrator Richard E. Bissell said in an August 10, 1987 memo to Acting Administrator Jay Morris:

> The Chinese program remains systematically coercive...Chinese spokesmen at recent family planning conferences have stated that births not covered by the plan must be strictly banned and prescribed penalties should be applied firmly and promptly until pregnancies outside the plan are terminated...There is no basis for changing the previous A.I.D. determination that China has a coercive program...Official statements clearly say that abortion and/or sterilization not freely chosen by couples is a publicly approved remedy for births outside the state plan. [All underscoring in the original.

Bissell attached a memo titled, "Coercion in the Chinese Family Planning Program: June 1987 Update," which stated that AID's findings

> were derived from review of FBIS reports and from a large number of cables, reports, memoranda, and other documents provided by the China desk, covering the period November 1986 through May 1987. This report avoids the citation of sources in most cases in order to protect sensitive materials. Additional information describing severe penalties is not included in this report because the sources are classified. China experts Judith Banister (Bureau of the Census) and Susan Greenhalgh (Population Council) informally reviewed the information and conclusions presented above and independently verified the accuracy of the information and conclusions in the report.

On this basis, AID told UNFPA on August 21, 1987:

> A.I.D. consistently has maintained the position that it would consider making a contribution to UNFPA only if there are significant changes in the population program of China or in UNFPA's support for it which would warrant resumption of A.I.D. assistance to UNFPA. Our recent review of the China population program and of UNFPA's activity there has not identified such changes in 1987. (Letter from AID Assistant Administrator Richard E. Bissell to UNFPA Executive Director Nafis Sadik, August 21, 1987)

[On December 3, 1987, the Senate Appropriations Committee voted 14 to 11 to retain the Kemp/Kasten Amendment, rejecting a substitute proposal by Sen. Inouye which would have mandated funding of UNFPA.]

1988 AID Determination

On May 27, 1988, AID Administrator Alan Woods announced that the boycott of UNFPA would be continued for FY 1988, because a review of the China/UNFPA program, conducted by the U.S. Census Bureau's Center for International Research, indicated that "significant changes that would warrant resumption of support have not occurred."

Woods released a 100-page white paper prepared by Census Bureau specialists Karen Hardee-Cleveland and Judith Banister (CIR Staff Paper No. 40, May 1988). Banister is chief of the Bureau's China Branch. This document included translations of numerous recent family planning policy decrees by various Chinese officials, demonstrating the ongoing coercive nature of the program.

May 1989: UNFPA Director Sadik Says China's Program "Totally Voluntary"

At a May 24, 1989 luncheon in the Cannon House Office Building, sponsored by the Congressional Coalition on Population and Development, UNFPA Executive Director Nafis Sadik continued the pattern set by her predecessor in vigorously defending China's population program. She said: "The UNFPA firmly believes, and so does the government of the Peoples Republic of China, that their program is a totally voluntary program."

1989 AID Determination

On June 7, 1989, AID announced: "Unfortunately, no significant changes in the nature of the China population program or in UNFPA's assistance to China have occurred which would warrant resumption of U.S. support for UNFPA." The FY 1989 funds previously set aside for UNFPA were, as in previous years, re-progammed to other family planning agencies.

On the same day, U.N. Development Programme Governing Council, meeting in New York, acted on a proposal to keep the UNFPA involved in China's program for an additional five years (1990-94). The U.S. delegate, Dr. Nyle C. Brady, voiced the Bush Administration's opposition to the proposal: "We strongly oppose the program as currently formulated and dissociate ourselves unequivocally from any interpretation of this body's consensus that suggests we approve of the family planning program in the People's Republic of China."

President Bush's Position on Funding of the UNFPA

On September 20, 1989, the Senate narrowly (52-48) adopted the Mikulski Amendment to the FY 1990 foreign operations appropriations bill. The Mikulski Amendment would exempt the UNFPA from the Kemp-Kasten requirements, and mandate funding of $15 million to the UNFPA, subject only to the bookkeeping requirement that the funds not be passed on to China. On October 6, 1989, President Bush sent a letter to Foreign Operations Subcommittee Chairman David Obey (D-Wi.), stating: "If the FY 1990 foreign operations bill as presented to me contains the Mikulski Amendment or any other language which would weaken the current Kemp-Kasten provision, or place the UNFPA or any other organization outside the full application of Kemp-Kasten, I will veto it."

At a press conference held November 7, 1989, President Bush was asked about his threat to veto the foreign aid bill unless the Mikulski Amendment is dropped. The President strongly reiterated his threat, stating, "I'm not going to change that policy...I simply cannot support, and I asked the Congress not to try to make me change, a policy where the AID people will tell you it supports compulsory abortion."

Mr. **Obey**. Thank you. I appreciate your comments. I'd simply say that I think that, as you know, the House last year chose to vote by the majority in opposition to the President's position. Our subcommittee's actions are pretty irrelevant. This decision is going to be decided on the House floor this year.

I will simply say the Administration has not helped its case. I think it has weakened its posture considerably by simultaneously pointing out what I consider to be legitimate criticisms of the Chinese program, and at the same time arguing that the most effective way to affect China's conduct is to be involved with them, which is what they essentially said when they vetoed the Pelosi bill.

It is pretty hard to follow an Administration when they are going in both directions at the same time.

Thank you very much.

Mr. **Johnson**. Thank you.

Wednesday, April 4, 1990.

NATIONAL ALLIANCE OF LEBANESE AMERICANS

WITNESS

TOUFIC NASSIF, PRESIDENT

Mr. **Obey**. Next we will hear from the National Alliance of Lebanese Americans, Toufic Nassif, President.

Good morning.

Mr. **Nassif**. My name is Toufic Nassif. I am the President of the National Alliance of Lebanese Americans, a tax-exempt, charitable organization with local chapters throughout the United States. Our organization has primarily a cultural and educational mission which we perform here in the United States, and a charitable mission to perform in Lebanon.

We thank the committee for giving us the opportunity to be here today to give our recommendation regarding the appropriations for Lebanon in the coming fiscal year.

I think a brief review of the current conditions in Lebanon is essential at this juncture. I would like to go briefly over that.

There exist three distinct politically polarized regions in Lebanon today. First is North Lebanon, the north central Bekaa, and the southern mountain and coastal areas under Syrian control, which comprises about 70 percent of the Lebanese territory today.

The second districts are the south of the Awali River line and the southern Bekaa, which is either directly or indirectly under Israeli control.

The third is the central Mount Lebanon and the eastern districts of greater Beirut, commonly referred to as the enclave.

The Bush Administration has chosen to extend the recognition to the government which exists only in the Syrian occupation zone. NALA opposes this recognition. The Harawi government exerts no authority in the Syrian occupation zone, and it is not even acknowledge in regions of Lebanon outside that zone.

Regarding the security situation, there continues to exist inter-Shiite battles involving the Syrian-backed Amal and the Iranian-backed Hezbollah militias.

The enclave has been subjected, since January 31 of this year, to some of the most destructive battles of the 15-year-old war. These battles have resulted in nearly 900 deaths and over 2,000 injuries. We understand the AP estimate of the damages exceeds $6 billion.

They have also caused severe damage to the economic and social infrastructure of the districts involved and widespread disruption of the water, electrical, and telecommunication systems.

In both cases, foreign intervention has worsened the situation, and, in fact, prevented a mediated resolution of the battles taking place in the enclave.

Economically, the disruption of the basic services in Beirut due to the military confrontation taking place there has paralyzed legitimate economic activity in all districts of the country. Now, much of the infrastructure lies in ruins as a result of the war.

The Lebanese civil service has survived this political polarization and de facto partitioning of Lebanon for the past 15 years and has faithfully performed their duties in all regions of Lebanon in four basic areas: the Lebanese State University System, the electricity, the water authority, and the Directorate for Telecommunications.

The Bush Administration is currently committed to the Taif process as its policy for Lebanon. This process, since its announcement in October of 1989, has thus far showed no signs of addressing the causes which lie at the base of the instability experienced by Lebanon since April 13, 1976.

Over the years the names of the players have changed, but the underlying issue has essentially remained the same: when will the land of Lebanon regain its freedom?

Taif is not the means of a democratic, free, independent solution for Lebanon; rather, it is a means to perpetuate the instability and legalize the occupation of Lebanon. NALA, for this reason, opposes Taif and has urged the Administration since last year to review this policy and address its flaws and to seek an alternative policy.

The Bush Administration bears a strong moral responsibility to the Lebanese people for having intervened politically in Lebanon in ways which oppose the popular will. The current cycle of events started in the summer of 1988 when Ambassadors Murphy and Newton traveled to Damascus and made a shameful deal with the Syrian dictator to name and impose a Syrian-favored Lebanese politician as the next president of Lebanon. When this failed and the new president could not be duly elected, the U.S. withheld vital support and recognition from the legally-constituted government.

Furthermore, the U.S. instigated its regional allies to promote what came to be known as the five plan. When this plan could not be implemented against the obligation of the prime minister, the U.S. put pressure on him to step down and actively support various aborted attempts to remove him by force.

It is even rumored that this Administration played an active role in instigating the current round of fighting in Central Mount Lebanon and the Eastern District of Beirut for allegedly the same reason.

Therefore, the moral obligation of the U.S. to assist the Lebanese to survive these continuing disasters inflicted upon them by the active participation of this Administration is very serious and should be regarded as morally and legally binding.

As far as the foreign aid recommendation, with this political, security, and economic background, NALA makes the following recommendations:

We ask mainly to depoliticize the U.S. aid to Lebanon. Let's get the politics out of the aid package if we allocate something for Lebanon.

There is the feeling in Lebanon that some of the political factions are fighting for the furniture while their house is burning down around them. Unfortunately, the Bush Administration, rather than intervening to extinguish the fire, has decided to back one of the factions in the fight for the furniture. The authorization for U.S. aid should not fall into this same trap. We urge you, Mr. Chairman, to take that into consideration.

We strongly recommend that the U.S. aid be delivered to Lebanon by non-political means and agencies. Last year $23.5 million, according to our numbers, was appropriated for Lebanon, which much of the aid being diverted and never reaching the intended Lebanese beneficiaries.

This year the need is much greater. Because of the increased disruptions and destruction amounting to a national disaster of unprecedented proportions, major emergency aid is required. Since the U.S. Government is morally and legally responsible through its having played a major role in precipitating these calamities, an obligation exists to provide substantial assistance in far greater quantities than $23.5 million. Maybe I am being unrealistic due to the budget, but certainly it should be way beyond that. I'm not going to tell you $300 million, but it is written in there for the record.

NALA recommends the following categories for assistance: The restoration of the electrical, water, and telecommunication infrastructure. The Lebanese need to replace power cables, generators, pumping stations, telephone switching equipment—all of which have been damaged or destroyed during the past two years of fighting. This will immediately help Beirut to get back on her feet and will have a beneficial rippling effect throughout the country.

Second, emergency medical supplies and foodstuffs. Last year Congress applied $16 million in food assistance, in addition to $250,000 in emergency appropriations. This and much more is needed. Hospitals in Beirut have been heavily damaged and are in need of funds to rebuild and reequip emergency operating facilities and intensive care units.

NALA recommends that this assistance be expedited and that private organizations such as the Lebanese Red Cross, Catholic Relief Agency, and others which have the capacity and reputation of efficiently delivery the assistance be utilized.

On the educational field, last year the Congress authorized $5 million to AUB. This is good, but not enough. Other institutions of higher learning should be considered. NALA recommends similar aid to the Lebanese State University system, which maintains campuses throughout Lebanon. The university, as well as schools throughout Lebanon, is in need of lab equipment, text books, prefabricated classrooms, and computer equipment and funds.

The main thing that we stress, Mr. Chairman, are the sanctions and guarantees to make sure that the relief is delivered to the people of Lebanon. We strongly recommend that this assistance would be immunized from political influence. We recommend assurances that no diversion of this aid be allowed to occur.

Syria is, by law, banned from receiving U.S. foreign aid because of its poor record on controlling terrorism and its record of human rights abuses and for its participation in international drug trafficking. Any assistance given to the Harawi regime cannot be immunized from Syrian use.

Regarding shipment of medical supplies and foodstuffs or any other goods to Lebanon, we strongly recommend that the U.S. provide either escorts or any other means to ensure that the medical supplies and the foodstuffs reach their destination because we had a problem last year we brought up to Congressman Hamilton's committee that some of the ships showed evidence that some of the ships were diverted into Damascus from the sea, and most of the shipment that was intended to go to Lebanon went either to Damascus or to ports which are controlled by Syrian troops and ended up in the black market in Syria.

Therefore, NALA strongly recommends today, on behalf of the Lebanese people, whom we all wish to assist, that when you mark up the bill, Boland Amendment-like restrictions be made a part of the authorization bill, with enforcement provisions to ensure that if anyone in the State Department or elsewhere in the Administration circumvents, attempts to circumvent, or knowingly allows the circumvention of the restrictions placed in the act, that consequences similar to those paid by the Iran/Contra defendants will have to be paid before the Congress.

We thank you, Mr. Chairman.

[The prepared statement of Mr. Nassif follows:]

TESTIMONY OF TOUFIC P. NASSIF PRESIDENT
OF
THE NATIONAL ALLIANCE OF LEBANESE AMERICANS (NALA)
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS
APRIL 4, 1990

INTRODUCTION

My name is Toufic Nassif. I am the President of the National Alliance of Lebanese Americans, a tax exempt charitable organization with local chapters throughout the United States. Our organization has primarily a cultural and educational mission which we perform here in the United States, and a charitable mission to perform in Lebanon.

I thank you, Mr. Chairman, for inviting our organization to come before your Committee to offer our testimony and recommendations regarding appropriations for Lebanon in the coming fiscal year.

BACKGROUND

A brief review of current conditions in Lebanon is, I think essential at this juncture.

Political

There exists three distinct politically polarized regions in Lebanon. First is North Lebanon, the north central Bekaa, Aley, Chouf, the southern Metn and coastal areas of South Lebanon which are under Syrian control.

Second are the districts south of the Awali River line and the southern Bekaa which is either directly or indirectly under Israeli control and third is central Mount Lebanon and the eastern districts of greater Beirut, commonly referred to as the "enclave".

The Bush Administration has chosen to extend recognition to the "government" which exists only in the Syrian occupation zone. NALA opposes this recognition. The Hrawi government exerts no authority in the Syrian occupation zone, and is not acknowledged in regions of Lebanon outside of the Syrian occupation zone.

Security

Regarding the security situation, there continues to exist inter-Shiite battles in the Iqleem Tuffah districts involving the Syrian backed Amal and the Iranian backed Hezbollah militias.

The "enclave" has been subjected, since January 31, 1990, to some of the most destructive battles of the 15 year old war, with regular Army units confronting elements of the LF militia. These battles have resulted in nearly 900 deaths and over 2,000 injuries. They have also caused severe damage to the economic and social infrastructure of the districts involved with widespread disruptions of water, electric and telecommunication systems. In addition, schools have been closed and those hospitals which continue to operate have been exhausted of supplies without reliable means to restore their stocks. The people have resorted to survival techniques as a means to exist from day to day.

In both cases, foreign intervention has worsened the situation, and in fact prevented a mediated resolution of the battles taking place in the "enclave".

Economic

Economically, the disruption of basic services in Beirut due to the military confrontation taking place there has paralyzed legitimate economic activity in all districts of the country. Upwards of 90% of economic activity in the country depends on the services generated in the capitol city of Beirut.

Now, much of the infrastructure lies in ruins as a result of the war, the de facto partition of the country, the drop in tax revenues, the failure of Parliament to meet and adopt a national budget, and the absence of a central government to fully administer the affairs of the nation.

Though there has been no central administration of government services for over a decade, such services have been provided during this time through independent, quasi autonomous boards. The Lebanese civil service has survived the political polarization and de facto partition of the past 15 years and has faithfully performed their duties, in all regions of Lebanon, in four basic areas:

1. The Lebanese State University System.
2. The Electricitie du Liban.
3. The Water Authority.
4. The Directorate for Telecommunications.

Current U.S. Policy and Moral Duty to Assist

The Bush Administration is currently committed to the Taif Process as its policy for Lebanon. This Process, since its announcement in October 1989, has thus far showed no signs of addressing the causes which lie at the base of the instability experienced by Lebanon since April 13, 1975. Fifteen years ago, the PLO Fedayeen militarily contested Lebanese Nationalist Forces comprised principally of various Christian militia over the issue of Lebanese sovereignty. Over the years, the names of the players has changed, but the underlying issue has essentially remained the same - Who shall govern the land of Lebanon?

Last year, the proponents of Lebanese nationalism were regular Army units led by General Michel Aoun. The contestant of Lebanese sovereignty was the Syrian Occupation

Army itself. The military confrontation ended at Souk el Garb where the Lebanese nationalists won the climactic battles with their successful defense of their positions.

Under Taif, General Assad's Syrian Army has been able to push Elias Hrawi and his new ally, ironically, the LF militia into the role of the contestant to confront the nationalist forces of the Lebanese Army still led by General Michel Aoun. Thus the dispute, this year, is given the appearance of an inter Lebanese affair. But, actually, the underlying cause remains unresolved. Who shall govern the land of Lebanon?

Though Taif has produced the Hrawi "presidency", it is only a fictional entity of questionable legality and absolutely no legitimacy within the Lebanese body politic. This presidency owes its creation and existence to the dictatorship of General Hafez el Assad, and therefore, it serves his interests in Lebanon rather than the interests of the Lebanese people. The members of NALA, representing a broad cross section of the Lebanese-American community, thus do not acknowledge the legitimacy of the Hrawi "presidency", nor its legality since it was a constitutionally dissolved Parliament that met in Chtura that was without legal authority to perform the election which Syrian intelligence officer supervised.

If Taif is meant as a process by which the Lebanese can resolve the issues which underlie the turmoil in their country, then it is a false policy. It provides only a cover, and a poor one at that, for the embarrassing fact that it has sidestepped the fundamental issue of restoring Lebanese sovereignty in the areas of Lebanon currently under occupation by outside powers.

Taif commenced only when Syrian imposed conditions were met, and has since taken into great consideration the needs of the Hafez Assad, a foreign military dictator, regarding his interests in Lebanon, while freezing out Michel Aoun, the Lebanese interim Prime Minister, his cabinet, and the hundreds of thousands of Lebanese citizens who have joined the populist movement which supports positions taken by the Aoun cabinet vis a vis all occupation forces and their illegal militia in Lebanon. Taif by thus, ignoring or subordinating the interests and the needs of a significant portion of the Lebanese population to those of a non Lebanese is an utter failure as a process to bring Lebanese together or to resolve the underlying cause of the Lebanon war.

Taif is not a means to a democratic, free, independent solution for Lebanon. Rather, it is a means to perpetuate the instability and legalize the occupation of Lebanon.

NALA, for this reason, opposes Taif and has urged the Administration since last year to review this policy and address its flaws and to seek an alternative policy.

The Bush Administration bears a moral responsibility to the Lebanese people for having promoted this policy in Lebanon against their will. There is even evidence which we have presented to the State Department, and which has not effectively been denied, that this administration, in an effort to force implementation of Taif in the Free Districts, played a role in the instigation of the current destructive battles taking place in Central Mount Lebanon and in the Eastern districts of Beirut. If such be the case, then, the moral obligation of the U.S. to give assistance to the Lebanese rises to an obligation of a more legal and binding nature.

FOREIGN AID RECOMMENDATIONS

With this political, security and economic background, NALA makes three principle recommendations to the Subcommittee regarding its foreign aid authorization for Lebanon.

A. **Depoliticize U.S. Aid to Lebanon**. There is the feeling in Lebanon that some of the political factions are fighting for the furniture while their house is burning down around them. The Bush Administration, rather than intervening to extinguish the fire, has decided to back one of the factions in the fight for the furniture. The authorization for U.S. aid should not fall into this same trap. Without abandoning our positions as outlined above, NALA calls upon the parties to the political dispute, especially the USG, to lay aside policy differences so that much needed assistance can reach the people of Lebanon.

The Lebanese people are in great need of assistance. Should the Congress authorize its assistance for this year without provision for immunization from Syrian diversion through such aid falling into the hands of the Syrian occupation army, or its surrogate political factions in Lebanon, which, ironically, are also supported by the U.S. Administration, then we greatly doubt that the Lebanese people will receive any of the aid that you approve.

Though the Administration has extended recognition to Mr. Hrawi, his office would not be effective in delivering U.S. aid to the Lebanese of Central Mount Lebanon and the eastern districts of greater Beirut, where aid is most acutely needed now. The Administration currently does not recognize the Aoun led interim Cabinet which governs these districts.

As you can see, Lebanon is in an extraordinary time in its national life, and our relations with her must reflect this reality. The goodwill of the United States is at an all time low among the Lebanese. For the sake of preserving future Lebanese-American relations, and to preserve the remnant of good faith that we still have among the Lebanese, we strongly recommend that U.S. Aid be delivered in Lebanon by non political means and agencies.

B. The Type of Assistance Recommended. Last year, $23.5 million was appropriated for Lebanon, with much of that aid being diverted and never reaching the intended Lebanese beneficiaries. This year, the need is much greater. Because of the increased destruction and disruptions emergency aid is required. Since the U.S. Government has played a major role in creating the atmosphere in which these calamaties have taken place, due to its intervention in Lebanon for the past two years, the obligation exists to provide substancial assistance in far greater amounts than the $23.5 million appropriated last year. NALA recommends the following categories of assistance:

1. Restoration of Electrical, Water and Telecommunication Infrastructure. The Lebanese need to replace power cables, generators, pumping stations and telephone switching equipment all of which have been damaged or destroyed during the past 2 years of fighting. The

equipment, or the funds with which to purchase it should be made directly available to the independent boards and Directorates referenced above. This will immediately help Beirut to get back on her feet and will have a beneficial rippling effect throughout the country.

Providing aid in kind will also put Lebanon back on the road to reconstruction with equipment that is stamped, "Made in the USA". This is not only a gesture of good will and good faith to the Lebanese, but it is also good for the U.S.

2. Emergency Medical Supplies and Foodstuffs.

Last year, Congress approved $16 million in food assistance, in addition to $250,000 in emergency appropriations. This and much more is needed. Hospitals in Beirut have been heavily damaged and are in need of funds to rebuild and reequip Emergency Operating facilities, and intensive care units. In addition, texts, manuals, supplies and staff training are needed.

NALA recommends that this assistance be expedited and that private organizations such as the Lebanese Red Cross, Catholic Relief Agency, and others which have the capacity and reputation of efficiently delivering the assistance be utilized.

3. Educational. Last year the Congress authorized $6.0 million to AUB. This is good, but not enough. Since AUB maintains its main campus in Syrian controlled districts of greater Beirut, with an auxiliary campus in the Eastern districts, which is now also in turmoil, other institutions of higher learning should be considered.

NALA recommends similar aid to the Lebanese State University system which maintains campuses throughout Lebanon. Since the system is managed by its own independent non political board, the assistance should be rendered directly to the Board.

This University, as well as schools throughout Lebanon are in need of Lab equipment, text books, prefabricated class rooms, computer equipment and funds.

C. Sanctions and Guarantees.

NALA strongly recommends that this assistance be immunized from political influence. We recommend assurances that no diversion of this aid be allowed to occur.

The danger is not only that the Lebanese people may not receive the assistance, but that political factions or foreign occupiers may instead become the recipients if strict controls are not mandated and enforced. These factions include terrorists, black marketeers, drug cartels and so forth. The U.S. Government should not be in the business of unwittingly giving assistance to these groups while the Lebanese people continue to suffer.

Furthermore, Syria is, by law, banned from receiving U.S. foreign aid because of its poor record on controlling terrorism, for its record on human rights abuses, and for its participation in international drug trafficking. Any assistance given to Hrawi can not be immunized from Syrian use.

Regarding shipment of medical supplies, foodstuffs or any other goods to Lebanon, we strongly recommend that the U.S. provide escorts of the shipments into the port of destination and into the hands of the named consignee. We recommend that this be required by your authorization bill for Lebanon. Last year, during the height of the Syrian siege of the enclave we witnessed the shameful situation of relief ships destined for the besieged population being diverted by Syrian military vessels to Syrian ports or Syrian controlled Lebanese ports, with the relief supplies finding their way to the Syrian Army's Black Market in Damascus. We brought evidence of this situation before Congressman Hamilton's Subcommittee in hearings last July, and raised our concerns at the State Department with little to no result.

Therefore, NALA strongly recommends today, on behalf of the Lebanese people whom we all wish to assist, that when you mark up this bill, Boland Amendment-like restrictions be made a part of the authorization bill, with enforcement provisions to insure that if anyone in the State Department or elsewhere in the Administration circumvents, attempts to circumvent, or knowingly allows the circumvention of the restrictions placed in the act, that consequences similar to those paid by Iran/Contra defendants will have to be paid before the Congress and before the United States Courts.

Thank you Mr. Chairman.

Mr. **Obey**. Thank you.

I don't ordinarily comment on statements with which I disagree in hearings like this, but because you specifically mentioned Ambassador Murphy I am going to depart from that practice.

I have great respect for Lebanese Americans and I have great respect for the people of Lebanon. I first learned about the Middle East in my college days from someone who is still a very dear friend who is a Lebanese American. I understand their view.

But I simply have to say I think Ambassador Murphy is an absolutely first-class public servant. I think he performed his task with great skill, and I think his actions were consistent with the interests of the United States and the Lebanese people. I support the Bush Administration's policy and I think General Aoun is a hardheaded fool. But I thank you for your testimony.

Mr. **Nassif**. Thank you.

Wednesday, April 4, 1990.

U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE

WITNESS

TED WEIHE, EXECUTIVE DIRECTOR

Mr. **Obey**. Next we will hear from the U.S. Overseas Cooperative Development Committee, Ted Weihe, Executive Director.

Mr. **Weihe**. Good morning, Mr. Chairman.

While our testimony this year covers a number of subjects, I'd like to talk to you about Poland.

Obviously I don't need to tell you how important Poland is today. I think the experiment that is occurring in Poland is probably the greatest economic development challenge that I can imagine any place in the world. That experiment is under great stress today. I think failure is certainly possible and that we should be concerned. And I believe that the U.S. Government's response has not really been as targeted and as rapidly disbursing as necessary at this critical time.

Your committee has provided the financial resources—certainly greater resources than were requested by the Administration in this fiscal year.

The only program that is really having any impact today—this month and last month—is the farmer-to-farmer program, which this committee supported. The other programs essentially are still under development. The enterprise fund, which you provided $45 million for, is not operational. We think that there really needs to be an effort to provide these funds as quickly as possible at this critical time rather than through the normal, longer, bureaucratic aid type program.

One of the rationales for the enterprise fund was that this was going to be different than AID and I'm afraid the difference has slowed it down rather than accelerated it.

We obviously support more funding for Poland and Eastern Europe. We recognize the problems with the budget, and we certainly are concerned about funding for Eastern Europe coming out of Africa and other poor countries.

We do think this committee and Congress can strengthen the impact of the aid that we have provided. The first thing we believe is that you really need to focus on the agricultural sector. That is the critical test. Whether this government makes it or not is going to be based upon the prices that the people in Poland pay for food. This is the most private enterprise sector. It is the one that I think U.S. cooperatives can have the greatest impact in, as well as our AID programs.

We also believe there is some critical institution building that needs to be done now. It is going to take time to create the financial systems—the rural credit banks and so forth. But the critical decisions are being made now, and yet we don't have the responsive capability in our assistance program to do the critical steps now that are going to take longer to implement.

We also believe very strongly that there needs to be an AID mission or senior AID presence there. Congress has provided a very multi-faceted program that really cannot be operated by a few State Department officials.

Let me just mention the importance of cooperatives in Poland. All the farm organizations in Poland are discredited, whether it is a cooperative or it is a farmers' circle, or what have you, because the communist system is very pervasive. However, the farmers in Poland recognize what a western-style cooperative is. They were familiar with cooperatives before the war. They had a very vibrant cooperative sector.

Quite frankly, we have a situation where there are six million farmers in Poland, and the functions of cooperatives are critical. They have to have the ability to buy their inputs collectively. They have to mill their products. All the normal functions of cooperatives have been state-run operations.

One of the things that we have been doing is sending Wisconsin and other cooperative experts there to essentially allow the farmers to take over their cooperatives. The legislation has changed. They have eliminated the total top level of cooperative unions. Some people might suggest doing that in Washington—getting rid of all of our Washington cooperative organizations. But that is what they have done in Poland.

And so right now they are going through elections. Essentially we have a lot of farmers that are trying to come to grips with this new free enterprise system that they are trying to tackle that don't have the basic tools of management skills and so forth to go forward.

We have had one team of volunteers go out there. One of those teams from Wisconsin has created the first private enterprise marketing cooperative, and they have named it Agr-Wisconsin. So we are hopeful that coop will work.

We have another team there now. These farmers, of course, are the types that have gotten their sleeves rolled up and are out there in the field providing the needed technical knowledge and competence. These are very experienced people and they are very well received by both the Solidarity senior policy makers but, most importantly, by the farmers in the field.

We also are building credit unions. Solidarity and Lech Walesa recognize that credit unions are important. Credit unions fit well in a Solidarity framework. They also want to sponsor credit unions throughout the country. We have sent a team there and we have brought six credit union Polish people here—to Wisconsin, of course, because that is where the World Council's Credit Unions headquarters is located. But, more importantly, we took them down to the Century Credit Union in Stevens Point in your district. I might add that this was totally funded by the credit unions.

They visited the credit unions in the United States, Canada, and Ireland so they could see three different systems and decide exactly what form of credit unions they want to provide. We'll be sending a technical team to Poland to help them organize their first credit union.

We are doing dairy development. Land O'Lakes, who testified earlier, has brought a bunch of dairy farmers here. They are bringing more dairy farmers here for training. They really need to privatize the processing of dairy products.

We have also got U.S. rural telephone cooperatives working there. There are only 6 phones per 100 people in rural Poland. It is about the same rate as Turkey in terms of lack of telephones. Obviously, the communist system didn't want telephones in rural areas or in cities. There is a 13-year waiting list for telephones.

We think that the REA model of telephone service will really work. There are a lot of telephone committees there. We have a lot of excess switching equipment and so forth in the United States, and we are going to provide excess equipment and create essentially cooperative or association for telephones in rural areas.

We are also pursuing a number of business opportunities by U.S. cooperatives in Poland.

When we look at housing, there is about a 25-year waiting list for an apartment. We think we have ideas on how you can get production up, and certainly we need to reform their cooperative housing sector, which is a disaster.

We have recommendations and a proposal before USDA, which we have had there for a number of months, to try to take our food assistance and provide it through private channels. Right now our food assistance essentially is reinforcing the state instruments. The importation in Poland is by a state monopoly. The distribution is by a state monopoly. The milling is by a state monopoly. While food assistance is one of the programs that is there, we believe that if you can give the food assistance to one of our organizations or another private, voluntary organization, the food assistance, itself, by putting it in private hands, can reinforce the private sector rather than reinforcing the state sector.

I am also representing CARE, which is a member of our organization, and I'm sure you have talked to some of their staff on the problems in Poland, some of the social fallout of all the unemployed people. I think we have to be sensitive to that problem, as well.

So these are our recommendations on Poland. I think you can see the U.S. cooperatives have stepped up to the challenge. I think that is what our country has to do.

Most of these resources—some are AID resources. A lot are their own resources are in Poland. We think there is a tremendous opportunity. We think we have the right technology and we have the will. And, of course, we have a lot of Polish-American farmers from Wisconsin that are particularly interested in seeing us be helpful.

Thank you.

[The prepared statement of Mr. Weihe follows:]

STATEMENT

BY

TED WEIHE

EXECUTIVE DIRECTOR

U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE (OCDC)

WASHINGTON, D.C.

TO

THE SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING

AND RELATED ACTIVITIES

HOUSE APPROPRIATIONS COMMITTEE

ON

FOREIGN ASSISTANCE APPROPRIATIONS FOR FY 1991

APRIL 4, 1990

Mr. Chairman, I appreciate the opportunity to testify before the Subcommittee concerning the foreign assistance appropriations for FY 1991.

The U.S. Overseas Cooperative Development Committee, formed in 1961, is a private nongovernmental organization which represents more than 90 million members of U.S. cooperatives and their commitment to assisting cooperative development abroad. OCDC is composed of nine cooperative development organizations and CARE:

- Agricultural Cooperative Development International
- Cooperative Housing Foundation
- Credit Union National Association/World Council of Credit Unions
- Land O'Lakes
- North American Association of the International Cooperative Insurance Federation including League Insurance Companies, CUNA Mutual, Nationwide Insurance and other cooperatively based insurance companies
- National Cooperative Bank
- National Cooperative Business Association
- National Rural Electric Cooperative Association
- Volunteers in Overseas Cooperative Assistance

Currently, U.S. cooperative development organizations provide technical and training assistance in more than 40 developing countries. In addition to the economic benefits provided to cooperative members overseas, these programs build grassroots democratic institutions and strong people-to-people relationships which contribute to understanding and world peace.

Poland and Eastern Europe

Poland is leading the way for democracy and a free market economy in Central and Eastern Europe. Other "non-market" and former communist countries in Europe and elsewhere in the world are watching Poland's unprecedented effort to rapidly transform its economy. Those who believe in free market principles cannot afford a failure in Poland. Failure would produce an unstable situation, economically and politically, which could invite more radical solutions from either the left or right. Failure could endanger the security of all of Europe and make a "peace dividend" less likely.

Addressing the Polish parliament last July, President Bush said, "For decades...the United States has stood for Polish independence, freedom, prosperity. And we are proud of our early and longstanding commitment to Polish self-determination. As America's president, I am here today to reaffirm that proud commitment." Failure of market economics in Poland would damage American interests and prestige.

The experiment in Poland is already under great stress and failure is certainly possible. The macro-economic policies adopted by the Mazowiecki government appear to be generally correct and provide the necessary climate for the emergence of a market economy. To succeed, however, the experiment also requires: (1) sufficient time and public support for market forces to work, and (2) adequate financial and entrepreneurial help from the West.

The Polish Government has predicted that in the short run the economic reforms introduced in January will create a 30% reduction in standard of living for Polish people across the board and a loss of at least 600,000 jobs. The Government has made strong efforts to explain this to the populace and the people have expressed a willingness to be patient. However, only three months into the reform program, there are already grumbling that things were actually better in the old days.

At a certain point in time if economic conditions do not improve, people will begin to believe that their lowered standards of living are permanent, not temporary. At that point, it will be difficult for the Solidarity government to avoid blame, and the free enterprise experiment may be reversed.

It is the viewpoint of U.S. cooperatives that the United States has not done enough to ensure success in Poland. In the early days of his administration, Prime Minister Mazowiecky said that "those who give now, give doubly." It is too late now to give doubly, but it is time to give before it is too late.

Congress passed the Support for Eastern European Democracy (SEED) Act of 1989 with significantly increased resources for Poland and the President signed it last November. This Subcommittee provided substantial financial resources in FY 1990, yet little assistance beyond emergency food aid is actually reaching the people. A notable exception is the Polish Farmer-to-Farmer program by Volunteers in Overseas Cooperative Assistance (VOCA) which is fully operational at this time and is described later in the testimony.

Increase Assistance to Eastern Europe

With the momentous events in Eastern Europe, U.S. cooperatives agree with Congress that this is the moment to offer major economic assistance programs to help these countries in the difficult transition to democracy and a free market. These countries have dreamed of achieving democracy and economic prosperity for decades. They have looked to the United States as a model. We have an obligation to offer adequate assistance as soon as possible despite our own budget difficulties.

We fully appreciate the Subcommittee's difficult task of balancing economic assistance among competing and worthy recipients and goals. We also understand the Chairman's view that foreign assistance should not come at the expense of valuable U.S. programs, especially those for our own poor.

Clearly, any major increase in assistance to Eastern Europe should come from a shift in military spending predicated on the Cold War which no longer exists, and consistent with the new realities we face in Europe and with the Soviet Union.

Like other private voluntary organizations dedicated to helping the less fortunate abroad, we fear that assistance to Eastern Europe, as well as the new demands for assistance to the governments of Panama and Nicaragua, will come at the expense of poor countries and people in Africa, Asia, Latin America and the Caribbean. We want to support the Chairman and Subcommittee in finding sufficient resources for Eastern Europe from the U.S. Defense budget. During the budgeting process in Congress, please call upon us if we can be of assistance in this effort.

Strengthen the impact of aid to Poland

Based on the extensive field experience of U.S. cooperatives over the last six months, we would like to offer the following suggestions for increasing the impact of U.S. assistance to Poland.

The importance of focusing U.S. assistance on Poland's agricultural sector cannot be overemphasized. With Poland's farmland in private hands, agriculture offers the most promising potential to jump-start the economy. Early gains in agricultural productivity can have a positive ripple effect throughout the economy and can offer some immediate and urgently needed successes for the new Polish leadership. Adequate and reasonably priced food for Polish consumers is one of the major first tests of the new economic policies of the Solidarity-led government. We strongly urge the Subcommittee to target U.S. assistance to this critical sector.

We also believe that it is essential that a high priority be given to the rapid implementation of activities which will assist the Polish people in the creation of financial institutions. Organizations such as credit unions and rural cooperative banks cannot be created overnight. In Poland, where members will need to acquire an understanding of free market forces, the training required to assure effective member controlled financial cooperatives will be more demanding than in other countries. Solidarity understands this and is willing to move less rapidly than they would be inclined to do in order to assure sound development of these cooperative institutions. But, a failure to respond rapidly to the initial challenges of institution building may lead to precipitous implementation actions and programs which could result in missteps and financial failure.

In our opinion, the initial SEED legislation does not provide sufficient flexibility to initiate projects and react quickly to changing circumstances given the evolving situation and opportunities. For example, there was an urgent need for agricultural inputs to arrive in Poland before the beginning of this crop year, but we were told that AID did not have the financial flexibility within the SEED legislation to even consider the merits of supplying essential agricultural inputs. Also, several recently returned VOCA Farmer-to-Farmer volunteers identified immediate training needs which can not be accommodated because of the restrictive legislation.

Finally, we believe there is a need for senior level AID in-country presence in Poland. The range of important development activities being undertaken by the U.S. and other donors cannot be effectively coordinated or managed back here in Washington nor by the small staff of the U.S. Embassy in Warsaw.

Importance of cooperatives in Poland

Cooperatives can play a major role in the emergence of democratic institutions and market economies throughout Eastern Europe. Although the status and effectiveness of cooperatives varies from country to country, the principles and practices of cooperation are generally understood by farmers and consumers of the region.

In Poland, farmers have lost confidence in cooperatives as well as all other farmer organizations because of state control and domination. Farmers do not believe that cooperatives have been operated in the past for their benefit. Cooperatives have not been consistent, reliable suppliers of farm inputs. Because central planners have set prices for farm products, cooperatives have been reduced to a perfunctory role in marketing.

Yet, Polish farmers recognize the need for true private sector cooperatives and are familiar with successful Western-style cooperatives such as in Europe and the U.S. Many older farmers remember when Poland had vigorous private cooperatives prior to World War II. A number of farmers have also taken over formerly state-controlled cooperatives and made them private enterprises. These farmers and others have requested U.S. cooperative know-how and assistance in reforming existing and creating new private cooperatives. The first team of U.S. cooperative advisors, sent by the VOCA Farmer-to-Farmer program, has just returned from Poland with excellent results.

The Government has begun a campaign for renewal of the entire cooperative sector. A law was approved in January which dissolved all cooperative unions. Assets of these unions have been turned over to government-appointed liquidators who will distribute them to local cooperatives, worker-owned companies or sell them at public auctions. At the same time, local cooperatives are being reorganized to reestablish the essential powers of locally elected boards of directors and those elections are currently being held. Thus, there are minimal barriers to the formation of new cooperatives and the Government has created a positive environment for the emergence of truly private cooperatives.

The Farmer-to-Farmer Program assisting Polish agriculture

With the support of the Subcommittee, Volunteers in Overseas Cooperative Assistance (VOCA) has launched the $1 million Poland Farmer-to-Farmer Program in which over 100 experienced U.S. agriculturalists and farmers will provide assistance directly to Polish farmers. This program is one of the few that the Subcommittee has supported which is fully operational today and is having immediate impact on improving Polish private sector agriculture.

The first team of seven highly skilled and experienced volunteers have provided the following assistance:

- Advised a regional Rural Solidarity committee in Rzeszow (southeastern Poland) on how to establish and operate a truly private grain marketing cooperative.
- Assisted a similar group in Northern Poland based in Olsztyn for establishing a private agricultural cooperative.
- Advised a private horticultural cooperative in Kleczanow on the feasibility of entering into fruit and vegetable processing.
- Conducted seminars in Ilawa for management and boards of approximately 36 local cooperative banks.

The team was well received in Poland by government leaders and by farmers who are seeking detailed and technical help from the U.S. volunteers who are working closely with Rural Solidarity. A second team is currently in Poland and additional teams are being recruited. VOCA has established a field office to identify critical agricultural bottlenecks where short-term and immediate advice and assistance is needed.

Upon returning from Poland two weeks ago, the first team stressed the urgency of the need for assistance now. This imperative is made more urgent by the fact that by March 31 all of the cooperatives in the country will have elected new leadership dedicated to the free market system, but who lack the know-how and experience to make it happen.

The Poles are highly receptive to technical assistance patterned on U.S. cooperative and private business models. Significantly, two members of VOCA's initial team from Wisconsin helped form the first new agricultural supply and marketing cooperative under the Solidarity program which the Poles appropriately named "Agro-Wisconsin." Another of the team members has committed himself to help the managers of the processing plant with which he worked to form a joint venture with a U.S. company.

We believe this people-to-people approach is not only cost effective but has immediate and significant impact, and that this approach also can be applied successfully to other Eastern European countries.

Building Credit Unions in Poland

In November 1989, a two person team of the World Council of Credit Unions, located in Madison, Wisconsin, visited Poland at the request of Solidarity to examine and discuss the potential role of credit unions in that country. The team found that Solidarity had already created a credit union working group in Gdansk which was studying how best to introduce credit unions in Poland. The U.S. credit union experts found that:

- Most people in Poland do not have access to savings and credit services.
- There is a marked distrust of those financial institutions which do exist.
- There is a need and strong potential for member owned and controlled credit unions at the community and workplace level.
- Solidarity is committed to support credit union development not only for the labor movement but for the country as a whole.

And like earlier U.S. cooperative missions, the team found that there is a sense of urgency in Poland and that people are tired of promises and are looking for tangible actions.

In response to this urgency and need for action, the World Council of Credit Unions has just completed implementation of a four week study tour in the United States, Canada and Ireland by six Polish representatives selected by Solidarity and the Polish Ministry of Finance. Given the need for quick action and the lack of funding mechanisms in place, the international credit unions undertook to finance this activity on its own. The most significant contributors were the Credit Union National Association (CUNA) Foundation which allocated $40,000 in voluntary donations from U.S. credit union members to this effort. Credit unions which hosted the group, such as the Sentry Credit Union of Stevens Point, Wisconsin and in the states of Minnesota and New York provided additional financial support to this collaborative effort of the international credit union movement. The tour was designed to help these Polish representatives understand the principles and practices of credit unions in free market economies to assist them in developing strategies for long-term credit union development in Poland.

The next step will be sending a technical team from the World Council of Credit Unions to Poland to work hand-in-hand with members of the Polish study team to assist in preparing an effective credit union development program suited to the unique environment of Poland.

Given the urgency and need to respond to this request as well as similar requests for credit union development assistance from Hungary and other East European countries, it will be important that AID receive indications of Congressional support for a rapid response to these needs.

Polish dairy development

Land O'Lakes sent a team to Poland in December 1989 to evaluate the dairy production and processing practices, current dairy and marketing policy, and feeds. In February, Land O'Lakes hosted a group of general managers from Polish diary processing plants for a ten day study tour. In April, Land O'Lakes will conduct a full feasibility study as well as bring four young Polish farmers to the U.S. for a year to study the U.S. dairy industry and gain field experience.

Rural telephone systems

After an initial assessment, the National Telephone Cooperative Association found strong interest by Polish government and rural leaders including Rural Solidarity for the introduction of pilot rural telephone systems in Poland based on the U.S. model. There are only six phones per 100 rural residents and a 13-year nationwide waiting list of nearly two million customers. This program envisions the donation of critical telephone switching unions which are in surplus in rural America as well as volunteer technical assistance. The model systems are intended to be expanded into a nationwide, comprehensive program. Polish leaders recognize the importance of adequate telephone service to modernize agriculture, strengthen the free market and support grassroots communications essential to democracy.

Business opportunities in Poland

U.S. businesses have not stepped up to the investment challenge and opportunities in Poland. We understand that of the first 900 joint ventures formed in Poland with foreign companies under new, more liberal policies, 600 are with West German and 30 with American firms. One of the conclusions of an agricultural mission by U.S. cooperatives to Poland is that there are many opportunities for small and medium scale joint ventures in food processing, storage, marketing and other endeavors. We need to find a better mechanism to involve smaller U.S. agricultural companies in joint venture efforts and to assist Polish entrepreneurs to prepare financially sound business proposals.

Agriculture Cooperative Development International has suggested to AID a market and development information exchange to assist Polish agribusinesses in developing viable proposals and an information system to attract U.S. investment to small and medium scale agribusiness opportunities. Cooperative Business International, an affiliate of the National Cooperative Business Association, is attempting to facilitate U.S. cooperative investment in Eastern Europe. We believe that the renewal of Eastern European economies will be quicker and more cost-effective through restoration of truly member-owned and controlled cooperatives.

Housing in Poland

In Poland, the lack of housing and the inability of the former government to address the situation has resulted in approximately three million people who are on waiting lists for homes and apartments. Young people get married and move in with their parents for an average of six years or more. In older houses, conditions are often unsafe, unsanitary and primitive with no water or electricity and in new dwellings the plumbing and heating are frequently deficient. In Poland, as in all of the countries of Eastern Europe, the production of housing lags far behind effective demand.

Officials of Solidarity have visited the Cooperative Housing Foundation's successful Cooperative Neighborhood Improvement and Job Program in Central America. This AID-supported program assists private, non-profit institutions to develop low cost housing and community facilities through loans to grassroots organizations such as credit unions and housing cooperatives. CHF is seeking to respond to the interest by Solidarity for undertaking a similar program in Poland.

Agricultural and food assistance to Poland

Based on the findings of a three week assessment trip, Agricultural Cooperative Development International (ACDI) and VOCA have made seven recommendations to AID and USDA:

1. U.S. agricultural commodity assistance in the form of feed grains should be extended beyond one year and the monetization program itself should be designed to achieve maximum developmental effect.

2. Target the poultry industry to achieve rapid impact.

3. Conduct a comprehensive feed industry study.

4. Assist in the establishment of appropriately-scaled and financially viable agribusinesses.

5. Reform and strengthen the existing network of local cooperative banks while introducing new private support banks.

6. Emphasize training for private sector business management and development of cooperative organizations.

7. Help create a new partnership between the extension service and private farmers.

We believe that U.S. agricultural commodity assistance can play a constructive role and should be provided on a multi-year basis. Polish farmers are understandably opposed to U.S. food assistance provided directly to their consumers which depresses market prices. However, they support the provision of feed grains and protein supplements to improve their animal production.

Polish farming is chiefly characterized by animal production with about two-thirds of the land devoted to the production of animal feed. Basic food crops and animal feed such as grains, potatoes and fodder crops represent over 90% of the cultivated areas and 40% of the total value of agricultural production. The value of sales of grains and fodder represent only 15% of total farm sales due to the high on-farm consumption as livestock feed. Thus, most of grain production is for livestock rather than human consumption.

Grain such as wheat, rye, barley and oats is being fed to animals. Because protein feeds are in short supply, much more grain must be fed to achieve a a given weight gain for animals than would be necessary with a properly balanced diet. Thus, grain is being wasted. The availability of U.S. feed grain and protein supplements would allow the farmers to continue their animal production at a higher level of efficiency and free up the supply of small grains for human consumption and export.

For these reasons, we recommend a more targeted approach to U.S. agricultural commodity assistance in terms of products and to strengthen animal production in Poland.

We concur with the Administration's approach to monetize U.S. commodity assistance (that is to sell it on the local market and use the local proceeds for development). However, we believe that greater developmental impact can be achieved by directing food assistance away from government-to-government and to private-to-private channels.

Agriculture Cooperative Development International has proposed to AID and USDA that they receive U.S. feed grain donations (Section 416) and sell them to and through private institutions in Poland.

The program, which is under active consideration by USDA, would stimulate the development of private enterprise in two ways: First, distributing the grain through private channels strengthens private enterprises which handle, transport, store and sell the food. Unlike the current monetization program, this approach would avoid strengthening the current government monopolies which control commodity imports, transportation, milling and sales. Secondly, the local currencies generated by the sale of such U.S. surplus commodities can provide valuable assistance to private agribusiness development entirely on a private sector basis, rather than through the U.S. Government.

Cushioning the adverse consequences of economic reforms

U.S. cooperatives strongly believe that economic reforms must be softened as much as possible for vulnerable populations. A senior CARE official, who was a former country director to Poland, has undertaken two trips to Poland in October 1989 and January 1990 to assess the social impacts of the proposed and recent economic reforms. He reports that the Minister of Labor Yacek Kuron has warned that between 10 and 35 percent of Poland's 19 million labor force may be displaced in the move to a free market. The Polish Red Cross and Catholic Episcopate indicated a growing number of elderly people on fixed pensions who are showing up at the Polish equivalent of soup kitchens. These pensioners' monthly incomes are exhausted by the second week of the month.

We feel that U.S. and other donor assistance to Poland has not adequately addressed the adverse social consequences of reforms. The problems of public health due to industrial pollution, radioactive contamination and AIDs have also not received sufficient attention. Thus, we encourage the Subcommittee to consider designating some of the U.S. assistance to address these social problems. Polish pride will likely restrain Poles from asking for this type of help, but the need is apparent and we urge the Subcommittee to be responsive to these concerns.

U.S. cooperative recommendations on Poland

In summary, we support a major increase in economic assistance programs to Eastern Europe, but not at the expense of humanitarian and long-term development aid to Africa and other poor countries of the world.

We encourage the Subcommittee to adopt legislative approaches to strengthen the immediate impact of U.S. assistance to Poland by focusing on the agricultural sector, providing administrative flexibility and supporting a senior AID presence there.

Finally, we appreciate the Subcommittee's support for the overseas efforts of U.S. cooperatives in Eastern Europe. Working with Congress and the Administration, we pledge our strong commitment in assisting Poland and Eastern Europe. We have the will, capacity, technologies and experience to play a significant role in their economic development at this historic moment.

Support for PVOs and Cooperatives

For several years, your Subcommittee has included report language which supports private and voluntary organizations and cooperatives. Last year, the Subcommittee indicated a level of central funding to the Office of Private and Voluntary Cooperation (PVC) for PVO programs at $60 million, including $6 million for development programs by U.S. cooperatives.

This important office, which allows for more independent funding for worldwide programs for PVOs and cooperatives, was funded at $57.3 million in FY 1990 as a result of your support. The FY 1991 request is $55.75 million.

The United States is unmatched in its degree of voluntarism. Most of the great movements in U.S. society have their origin in the "independent sector," for example, abolition of slavery, environmentalism, civil rights, public schooling, public libraries, farmer cooperatives and the care and opportunities for the handicapped.

U.S. PVOs and the overseas development work of U.S. cooperatives are international expressions of people helping people in this great voluntary tradition. The 245 U.S. PVOs and cooperatives registered with AID have an expanding revenue base from private sources of upwards to $2.2 billion per year. They manage an additional $1 billion in U.S. Government resources including Food for Peace (PL 480). Millions of children have received nutritious school lunches, for example, through CARE.

With a shrinking U.S. development assistance budget, we believe that these people-to-people channels of assistance should be significantly strengthened. In the House-passed foreign assistance authorization legislation, Chairman Fascell, with bipartisan support of other members of his committee, would upgrade the current PVO office to a Center for Voluntary Cooperation including an advisory committee with ten presidential appointees.

The Center would strengthen the public-private partnership with voluntary sector organizations for overseas development programs.

We recommend that the Subcommittee continue its support for funding the PVC office at $60 million in FY 1991 including $6 million for overseas cooperative programs. This level of funding would maintain current programs including PVO matching grants, cooperatives, child survival programs, development education and ocean freight reimbursement. It would provide a modest increase in child survival and food aid enhancement programs.

Micro-Enterprise Development

We encourage the Subcommittee to continue to support micro-enterprise development at not less than $75 million in AID funding including locally-generated currencies in FY 1991. However, we strongly oppose legislative criteria and report language which sets loan limits or targets for reaching specific country poverty levels. Any limits or targets would have the unfortunate effect of restricting the responsiveness of AID at a time when, in effect, strong evidence exists in support of more flexibility.

AID has made impressive strides in micro-enterprise development including a strong financial commitment, a high level of interest by senior staff and strong technical support. The Agency is serious about support for lending to the poorest and marginal groups. But, poverty targets and loan limits result in extensive costs for monitoring and tracking AID funds, and place intolerable administrative burdens on usually small and relatively unsophisticated local institutions. These institutions should service clients and not be tied into knots by unwieldy and time consuming reporting requirements.

U.S. cooperatives and credit unions have been involved in micro-enterprise development for many years and, in fact, many of the new techniques are refinements of programs that cooperatives and credit unions have undertaken throughout the world. Our experience as well as that of independent evaluators, and confirmed by the AID Advisory Committee on Micro-Enterprise, suggest the following lessons:

- Assistance programs for micro-enterprise must recognize that local implementing groups have their own perspectives about what will and won't work in their respective countries. Program designs should not be imposed by AID, foreign PVOs or cooperative development organizations.

- Successful micro-enterprise programs require an understanding of the economic and social circumstances of the targeted entrepreneurs. Loan and other assistance requirements vary enormously by country and the level of development of the enterprises to be helped.

- Programs need to be flexible. Micro-entrepreneurs, most of whom come from the informal sector, are dynamic; they respond to opportunities and change very rapidly. AID projects and host country lending institutions also must be flexible and able to respond to changing needs of targeted clientele.

- Programs should encourage and support the growth of the micro-enterprises. Very few micro and small entrepreneurs graduate to borrowing from commercial banks. Host country groups must be able to grow with their clients and help them grow by providing larger loans over longer periods.

U.S. cooperatives believe that in spite of the major difficulties confronting micro-entrepreneurs - lack of legal status, lack of credit and inadequate business management skills, they are an increasingly significant part of national economic development in most developing countries. Usually, they do not qualify for commercial credit and rely on moneylenders or local merchants for financing and inventories.

While development agencies have become increasingly interested in the micro-enterprise sector, we must be candid that results to date have been mixed. Although many project have succeeded in channeling credit and other resources to selected micro-entrepreneurs, the project scale has generally been small. The project costs per loan have been high when the full costs of technical assistance are included.

The challenge of micro-enterprise development is to target limited assistance in ways that support replication and self-supporting systems for millions of micro-entrepreneurs. The credit unions stand out as an example of one of the ways in which this challenge can be met. In 72 developing countries around the world, there are over 20,000 credit unions with some nine million members who saved in excess of $3.9 billion which supports outstanding loans of $3.2 billion. The World Council of Credit Unions and the National Cooperative Business Association are today undertaking pilot projects for more fully engaging the credit union system into even broader support for micro-enterprise development.

In Egypt, the National Cooperative Business Association is providing advice and training to two non-profit foundations. These new foundations will provide credit and management assistance to micro and small entrepreneurs in low income neighborhoods of the densely populated cities of Cairo and Alexandria. Survey work undertaken on credit demand suggests that borrowers in these neighborhoods can best be served by loans in the $500 to $5,000 range. Loans will be used for working capital and equipment.

Energy and Electrification

We wish to acknowledge the leadership of the Subcommittee in supporting energy development and rural electrification. In particular, we urge continued AID support for on-going electrification initiatives in Central America and the Eastern Caribbean. These initiatives, administered by the National Rural Electric Cooperative Association, are addressing critical obstacles to increasing productivity and alleviating poverty in rural areas.

Basic Shelter

Adequate shelter is a basic need in all societies, industrial or developing. However in the developing world, shelter needs are so immense that the people themselves are forced to solve their housing problem as best they can with limited resources. This phenomena is often referred to as the "informal sector" approach in contrast to public or private institutions that traditionally finance or build houses. For example in the Caribbean, it is estimated that 50 to 70% of new housing is by the informal sector; in South America and Africa, 20 to 70% of the urban population live in informal settlements. Typically, these informal settlements lack water supplies, sanitary systems and electrification. The rural dweller faces similar deprivation: lack of the most basic facilities and no assistance to improve their situation.

We encourage the Subcommittee to support a strong AID Housing Guarantee Program and continued U.S. contributions to the United Nation's Centre for Human Settlements (UNCHS) at $400,000 in FY 1991. Habitat assists developing countries in the development of sound human settlements policies. The Cooperative Housing Foundation (CHF) has worked with Habitat since 1980 in providing planning and management assistance to Dodoma's low cost housing program in the newly designated national capital of Tanzania. Working with AID, CHF has also undertaken an innovative Cooperative Neighborhood Improvement and Job Program in Central America. This program provides revolving loans to grassroots community groups, including credit unions and housing cooperatives, to improve local living conditions. This successful model can be replicated in other regions and countries.

Thank you.

Mr. OBEY. Thank you very much.

WEDNESDAY, APRIL 4, 1990.

COALITION FOR PALESTINIAN RIGHTS

WITNESS

SUSAN AKRAM, POLICY ANALYST

Mr. OBEY. Our next witness is Susan Akram, Coalition for Palestinian Rights.

Before you begin, let me simply state to every future witness in the room that we have now been going for a little over two hours and are approximately 40 minutes behind. I have not been enforcing the five-minute rule as tightly as I should, but I will be in the future.

What I will simply do, to try to be polite about it, is turn this gavel over so the handle is pointed to the witness. [Laughter.]

Ms. AKRAM. Starting now? [Laughter.]

Mr. OBEY. No. When I turn it over, that will be a sign to you that your time has expired and to conclude your statement, please.

Please go ahead.

Ms. AKRAM. Thank you, Mr. Chairman. We did excise our statements to run for five minutes. We have submitted longer testimony, and I will just reiterate some of the main points and ask for our ultimate requests.

My name is Susan Akram. I thank you on behalf of the Coalition for Palestinian Rights for the opportunity to address the subcommittee on this important matter.

The purpose of this testimony is to report to Congress our findings as to what the American people think about United States aid to Israel in light of Israeli violations of Palestinian human rights, and our observations as eyewitnesses to Israel's continuing oppression of the Palestinian people funded by our tax dollars.

The Coalition for Palestinian Rights is a Cambridge, Massachusetts-based association of 15 area civil rights and peace organizations and concerned individuals. The Coalition was formed in 1987 in response to Israeli repression of the Palestinian uprising, or Intifadeh.

We have sponsored and organized educational events featuring prominent representatives of the Palestinian people and their supporters; frequent protest demonstrations, vigils, and leafletting to publicize the uprising of Palestinian under occupation; and meetings with local and national political figures conveying our deep concern of the Israeli violations of Palestinian human, civil, and national rights.

We differ from other groups in that our ability to gauge American public opinion has been validated by eyewitness reports of our members who have visited Israel and the occupied territories.

Our findings about what the American people believe about the Palestine/Israel situation and U.S. aid to Israel come from several sources. First, our Coalition sponsored a successful ballot initiative in Cambridge and Somerville advocating an end to the occupation, statehood for the Palestinians, and an end to the use of U.S. tax money for Israel's occupation. The people of Cambridge voted in a clear majority to support these propositions.

Second, since the start of the Intifadeh, new groups have been formed calling for an end to Israeli oppression and U.S. funding of that oppression.

Third, in nine states the Democratic party has passed resolutions in support of an independent Palestinian state. For example, in July, 1988, at the National Democratic Party Convention, a plank calling for self-determination and statehood for the Palestinians had the actual support of a majority of the delegates, even though it was not brought to a vote for internal party reasons.

Fourth, numerous public opinion polls since the beginning of the Intifadeh have reported that Americans overwhelmingly support a Palestinian homeland in the occupied territories, and that half of the population supports a decrease in aid to Israel because of its treatment of Palestinians. The sources for those are reported in our testimony.

Our findings about American opinion are also based on eyewitness experiences of our own Coalition members who participated in U.S. delegations to the occupied territories and Israel. Experiences of those eyewitnesses—myself included—have shown that the reports of groups such as Amnesty International, the Palestine Human Rights Information Center, and the U.S. State Department Country reports are all true.

We personally have seen Israeli forces enter Palestinian towns and refugee camps; burst into civilian homes without provocation at any time of the day or night; shoot innocent people, including women, children, and elders with live ammunition, whether it be rubber bullets, plastic bullets, high-velocity, or dumb-dumb bullets, all of which can kill and do kill, cripple, main, or severely damage their victims; impose month-long curfews on entire villages, depriving people of food and water; and blowing up houses on mere suspicion of the owner's involvement in the uprising.

We have taken testimony from Palestinians who were held in prison without charge for six months or more under horrific conditions, from Palestinians who were tortured, and from Palestinians whose family members were killed from the misuse of American-made teargas. We witnessed Israeli wanton disregard for human life and for international law when it comes to the Palestinian people under its belligerent occupation.

U.S. support of Israel has cost U.S. taxpayers billions and billions of dollars. The fiscal year 1990 grants to Israel, made available in October 1989, are in the amount of $1.2 billion dollars in economic support funds grants and $1.8 billion in foreign military sales.

U.S. aid to Israel for fiscal year 1990 totals $3,019.4 billion, or approximately $805 dollars per capita. Israel is the only country not accountable to the United States for how such funds are spent. Additionally, Israel will receive tens of millions of dollars in new benefits from the United States this year. For the fiscal year 1990 interest on the Federal Government debt that had accumulated from grants to Israel was over $4 billion.

Continued U.S. aid to Israel under the circumstances violates both domestic and international law. I'll just cite sections 502(b) and 116(a). The international law is cited in our testimony. We believe that there is no justification for continued U.S. aid to Israel when that aid is being used to kill and oppress innocent Palestinians.

We request that sections 502(b) and 116(a) of the Foreign Assistance Act be enforced in light of Israel's consistent pattern of gross violations of internationally recognized human rights and that no aid be granted unless and until it clearly complies with domestic law, including the Foreign Assistance Act.

We also request that Israel be subject to the accountability requirements that the U.S. imposes on all other aid-recipient nations.

Our final request is that no U.S. taxpayer dollars be used to fund the continuing oppression of the Palestinian people by Israel.

Thank you very much.

[The prepared statement of Ms. Akram follows:]

Coalition for Palestinian Rights

P.O. Box 2316
Cambridge, MA 02238
Phone/FAX (617) 661-9167

April 3, 1990

Hon. David R. Obey
Chairman
Subcommittee on Foreign Operations
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Obey and Members of the Subcommittee:

I thank you on behalf of the Coalition for Palestinian Rights for this opportunity to address the Subcommittee on this important matter. The purpose of this testimony is to report to Congress our findings as to what the American people think about United States aid to Israel in light of Israeli violations of Palestinian human rights; and our observations as eyewitnesses to Israel's continuing oppression of the Palestinian people funded by our tax dollars.

The Coalition for Palestinian Rights is a Cambridge, Massachusetts-based association of 15 area civil rights and peace organizations and concerned individuals. The Coalition was formed in 1987 in response to Israeli repression of the Palestinian uprising or Intifadah. We have sponsored and organized educational events featuring prominent representatives of the Palestinian people and their supporters; frequent protest demonstrations, vigils and leafleting to publicize the Uprising of Palestinians under Occupation; and meetings with local and national political figures conveying our deep concern for the Israeli violations of Palestinian human, civil and national rights. We differ from other groups in that our ability to gauge American public opinion has been validated by eyewitness reports of our members who have visited Israel and the Occupied Territories.

Our findings about what the American people believe about the Palestine/Israel situation and U.S. aid to Israel come from several sources. First, our Coalition sponsored a successful ballot initiative in Cambridge and Somerville advocating an end to the Occupation; statehood for the Palestinians; and an end to the use of U.S. tax money for Israel's Occupation. The people of Cambridge voted in a clear majority to support these propositions.

Second, since the start of the Intifadah, new groups have been formed calling for an end to Israeli oppression and U.S. funding of that oppression. A national group called Act on Conscience comprising American Jews, American Arabs, and Americans of all walks of life, has called for U.S. taxpayers to withhold their taxes in protest of Israeli oppression of Palestinians. Many cities and towns have sister city relations with cities and towns in the West Bank and Gaza; colleges and universities across the country have established similar relations in Occupied Palestine.

Third, in nine states the Democratic Party has passed resolutions in support of an independent Palestinian state. In July, 1988 at the National Democratic Party Convention, a plank calling for self-determiation and statehood for the Palestinians had the actual support of a majority of the delegates, even though it was not brought to a vote for internal party reasons. Organizations as diverse as the RAND Corporation and national churches have become involved in the support of Palestinian rights. The RAND Corporation concludes in a recent report that "the ultimate emergence of a Palestinian state in the West Bank (is) inevitable." The United Presbyterian Church has issued the following statement: "A meaningful criteria for peace and justice" includes "the right and power of the Palestinian people to self-determination by political expression..."; the World Council of Churches has issued the statement "We recognize that an international concensus has emerged as a basis for peaceful settlement on the following: (a) withdrawal by Israel from territories occupied in 1967; (b) the right of all states inlcuding Israel and the Arab states to live in peace within secure and recognized boundaries; (c) the implementation of the rights of the Palestinian people to self-determination." The position of the Antiochian Orthodox Christian Archdiocese of North America is that it "reiterates its call for justice under international law and human rights of the Palestinian people and for the establishment of an independent and sovereign Palestinian State on the West Bank and the Gaza Strip..." And the U.S. Catholic Conference has called for "the rights of the Palestinian Arabs: to participate in negotiations affecting their destiny, and to a homeland of their own."

Fourth, numerous public opinion polls since the beginning of the uprising have reported that Americans overwhelmingly support a Palestinian homeland in the Occupied Territories; and that about half of the population supports a decrease in aid to Israel because of its treatment of the Palestinians.

I refer to Gallup, L.A. Times, Chicago Tribune, and Time surveys reported in "American Public Opinion and the Intifadah," by Professor Fouad Moghrabbi.

Our findings about American opinion are also based on eyewitness experiences of our own Coalition members who participated in U.S. delegations to the Occupied Territories and Israel. The experience of these eyewitnesses, ourselves included, have shown that the reports of groups such as Amnesty International, Palestine Human Rights Information Center, and the U.S. State Department Country reports are all true. We have seen Israeli forces enter Palestinian towns and refugee camps; burst into civilian homes without provaction at any time of the day or night; shoot innocent people including women, children and elders with live ammunition whether it be rubber bullets, plastic bullets or any other kind of bullet (all bullets can kill); impose month long curfews on entire villages depriving people of food and water; and blowing up houses on mere suspicion of the owner's involvement in the uprising. We have taken testimony from Palestinians who were held in prison without charge for six months or more under horrific conditions; from Palestinians who were tortured in prison; and from Palestinians whose family members were killed from the use and misuse of American made teargas. We have witnessed Israeli wanton disregard for human life, and for international law when it comes to the Palestinian people under its belligerent occupation.

Our findings and observations have to be seen in the context of recent history, and it is therefore necessary to provide some brief background on the economic relations between the United States and Israel. When Israel was founded on May 15, 1948 it forceibly expelled hundreds of thousands of Palestinians from what was to have been a separate Palestinian state beside Israel and appropriated one-half of the land which was to have been Palestine. In 1967 Israel occupied through military aggression the remainder of what was to have been the Palestinian state. Today, the original Palestinian state, as well as parts of Syria and Lebanon are under military occupation. Without the support of the United States, Israel could not have been successful in its continued occupation and the continued resettlement of Israelis in the occupied areas.

U.S. support of Israel has cost U.S. taxpayers billions and billions of dollars. The fiscal year 1990 grants to Israel, made available to Israel in October, 1989 are in the amount of $1.2 billion dollars in Economic Support Funds (ESF) grants and $1.8 billion dollars in Foreign Military Sales (FMS). With some rather minor reductions and additions U.S. aid to Israel for fiscal 1990 totals $3,019.4 billion dollars or approximately $805 dollars per capita. (Total federal aid to residents of Wisconsin amounts to $448 per capita). Israel is the only country not accountable to the United States for how such funds are spent. Additionally, Israel will receive tens of millions of dollars in new benefits from the United States this year. For the fiscal year 1990 interest on the federal government debt that had accumulated from grants to Israel was over $4 billion.

As if that were not enough, in a recent joint meeting, the Subcommittee on Europe and the Middle East and on Human Rights and International Organizations recommended that Israel receive $400 million in loan guarantees, $5 million for African American Hebrews settling in Israel, and an additional $70 million for Soviet refugees resettling in Israel.

Congressional appropriations of U.S. monies to Israel are out of step with American public opinion, they are being sent in violation of domestic and international law, and they do not achieve any strategic purpose. Initially it was thought that U.S. monies would be used as a means of achieving security and peace in the region. Instead, they are supporting Israel's military occupation and intransigence, and its unwillingness to return the Occupied Territories to the Palestinians, despite world condemnnation and international law. It has always been argued that aid to Israel would allow it to act as a buffer against communism. To the contrary, the great quantity of money and arms we have sent to Israel has forced the surrounding Arab countries to go wherever they could for arms, most often to the Soviets. "The whole argument of Israel as a strategic asset vis-a-vis the Soviet Union has lost great credibility and it no longer carries any weight," said William Quandt, formerly of the National Security Council and an expert on our relations with Israel.

Not only has U.S. aid to Israel failed to achieve any strategic objectives but continued U.S. aid to Israel under the circumstances violates both domestic and international law. Sections 502B and 116(a) of the 1961 Foreign Assistance Act prohibit U.S. aid to any country "which is engaged in a consistent pattern of gross violations of internationally recognized human rights." The use of U.S. funds to support the Israeli occupation of the West Bank and Gaza Strip is clearly illegal under this law. The U.S. Country Reports on Human Rights Practices (1988 and 1989) document the killing of 670 Palestinians by Israelis as a consistent pattern. It states, "Reports continue of harsh and demeaning treatment of prisoners and detainees, as well as allegations of beatings of suspects and detainees...at least 10 deaths can be attributed to beatings...physical and psychological pressure are particularly severe in incommunicado detention during investigation and interrogation."

The State Department report also notes that Israel maintains a "dual system of governance" -- read apartheid -- in the West Bank and Gaza. It is the administration's position that U.S. aid should not be used in Israeli settlements in the Occupied Territories. Israel keeps building settlements and it cannot say that it is not using U.S. funds to do so. It should also be noted that Israel has refused to sign the Nuclear Nonproliferation Treaty or to submit its nuclear facilities to international inspection, and it has recently been cited for illegally providing technology to South Africa for its use in developing nuclear weapons.

Israel's treatment of Palestinians, both in the Occupied Territories and within Israel, violates both international treaties and customary international law. The Fourth Geneva Convention of 1949, to which Israel is a signatory, regulates the treatment of persons in territories held under belligerent occupation. (All nations except Israel define Israel's occupation of the West Bank and Gaza as belligerent occupation). Collective punishment and the imprisonment of persons outside their home territories -- such as the imprisonment of Palestinians in Ansar III prison camp (in Ketziot, Israel) -- are blatant violations of the Fourth Geneva Convention. As stated in the United States Country Reports on Human Rights Practices for 1989, "26 Palestinians (including 5 journalists and 5 labor leaders) were deported in 1989...The deportation process in characterized by a lack of formal charges and the use of secret evidence not disclosed to the suspect or his attorney. The United States considers deportation to contravene Article 49 of the Fourth Geneva Convention." International human rights organizations have condemned Israeli violations of the Standard Minimum Rules for the Treatment of Prisoners of 1957, the Universal Declaration of Human Rights of 1948, and the International Covenant on Civil and Political Rights of 1966.

We believe that there is no justificiation for continued U.S. aid to Israel when that aid is being used to kill and oppress innocent Palestinians who are struggling for their legitimate rights -- unless it be political gain for members of Congress. It is unfortunate but necessary to note that for every dollar spent by pro-Israel PACs on Congressional campaigns, members of Congress vote $750 in direct grant aid and military aid to Israel.

We request that Sections 502(B) and 116(a) of the Foreign Assistance Act of 1961 be enforced in light of Israel's consistent pattern of gross violations of internationally recognized human rights, and that no aid be granted unless and until it clearly complies with domestic law including the Foreign Assistance Act.

We further request that Israel be subject to the requirement of accountability and review that the United States imposes on all other aid recipient nations.

Our final request is that no U.S. taxpayers dollars be used to fund the continued oppression of the Palestinian people by Israel.

Thank you.

Susan M. Akram, Esq.

Susan Akram, Esq.
Donald H. Veach
on behalf of
the Coalition for Palestinian Rights

Mr. OBEY. Thank you.

WEDNESDAY, APRIL 4, 1990.

BREAD FOR THE WORLD

WITNESS

REV. WILLIAM J. BYRON, S.J., CHAIRMAN, BOARD OF DIRECTORS

Mr. OBEY. Next we will hear from Father William J. Byron, Chairman of the Board of Directors, Bread for the World.

Good morning.

Father BYRON. Good morning. Thank you.

My name is William Byron. I am the President of the Catholic University of America. It is my privilege to serve as Chairman of Bread for the World, which is a grass-roots, Christian, anti-hunger movement with more than 40,000 members across the country.

The testimony, of course, will be submitted for the record. I will just try to go over some highlights right now, Mr. Chairman.

Bread for the World has embarked on a Harvest of Peace campaign, a three-year campaign, the keystone of which is a Congressional resolution introduced in the House by Congressman Matthew McHugh and Silvio Conte and in the Senate by Senators Hatfield and Bumpers.

The Harvest of Peace resolution calls for mutual, verifiable reductions in military spending with the goal of cutting in half by the year 2000 military spending worldwide. This Harvest of Peace resolution says that increased assistance should go to developing nations to overcome hunger and poverty, promote human rights and people's participation in political decisions affecting them, ensure sustainable development, and protect the environment.

We need, of course, to pay attention to domestic poverty and the conversion of defense industries if we are to have a peace dividend, and certainly take some steps to reduce the deficit.

But Bread for the World feels that we should not lose sight of the human needs deficit that afflicts a billion people worldwide who are poor and hungry, and more than 30 million here in the U.S.

Aside from the resolution I shared, the Harvest of Peace campaign also includes efforts to reduce U.S. military and security aid in conflict regions—specifically El Salvador and the horn of Africa—and continuing efforts to end apartheid in South Africa.

So we urge that the subcommittee clearly adopt a priority to continue and enhance effective development aid programs to the poorest countries targeted to poor and hungry people in those countries.

We really have four categories of recommendations—and I'll just hit the headings of those four.

First, would be to reduce overall military and security aid in Third World countries and reduce aid that perpetuates conflicts and human rights violations.

Second, to increase funding and enhance bilateral and multilateral aid programs.

Third, reduce debt burdens of poor countries.

Fourth, support changes in the IDA-9 replenishment.

On some of these issues I'd just like to offer a few further recommendations.

We would urge you to vote for a cut-off or a significant reduction in military aid to El Salvador and condition the remainder of U.S. aid on significant improvements in human rights and progress toward peace. We would strongly urge the continued half of non-humanitarian aid to Sudan and Somalia until peace is achieved and human rights are improved. We urge the committee to oppose the Administration's request for $3 million for development assistance to Somalia and $900,000 for military training each to Sudan and Somalia.

We would urge the committee to direct the U.S. executive directors of the World Bank and the International Monetary Fund to oppose loans for non-humanitarian purposes to Sudan, Somalia, and Ethiopia until peace is achieved and human rights are improved in those areas.

We would also urge you to increase the development fund for Africa to $1 billion, and to include policy language that will improve its overall effectiveness. We urge you to require 10 percent minimum levels of assistance for the priority areas of education and natural resources, and that additional funds above that level be made available for health. We are all aware of what is happening in Africa these days—the AIDS epidemic, the need for pure water. So we would also urge you to adopt more accountability and evaluation provisions such as reporting requirements.

Moreover, we would urge an increase to $85 million in U.S. assistance to the Southern African Development Coordination Conference without country restrictions against Mozambique or Angola. If that nine-member state cooperation is going to work, they should be included.

Seeing what has happened in Namibia, we would urge you to provide no less than $15 million for Namibia for fiscal year 1991.

We urge an increase in the U.S. contribution to migration and refugee assistance—an increase to $375 million for refugee assistance. We support the Administration's request for $74.5 million for the child survival fund, and we would urge an increase to $125 million for AID health assistance.

The child survival fund has worked, and we appreciate the support that we have had in this room and through this committee. The results of that have just been wonderful.

We would urge support of the Administration's request for an increase in funding for the Agency for International Development's Women in Development Office, and an increase in funding to UNIFEM to $2 million, and $500,000 for INSTRAW, the research arm.

IFAD—Bread for the World continues to support IFAD for its grass-roots focus to encourage more effective agricultural development for small-scale and landless farmers, and we urge the committee to provide no less than $30 million for IFAD.

We would also urge the committee to support provisions offering additional debt relief to the poorest countries—specifically we hope you will support provisions that would provide relief of PL 480 debts owed by the poorest countries to the U.S.

We would urge the committee to base eligibility for debt relief on a country's promotion of equitable, participatory, and sustainable development.

We would recommend several changes—we do in the testimony—in IDA lending programs that will make them more appropriate and responsive to the needs of poor people and to the need for a health environment.

That's an overview, an overflight. The testimony gives much more detail on all of those points.

I simply want to conclude by saying that we are grateful to you and to this committee over the years for the support you have given to the objectives that we promote.

[The prepared statement of Fr. Byron follows:]

STATEMENT OF WILLIAM J. BYRON, S.J.
ON BEHALF OF BREAD FOR THE WORLD
BEFORE THE HOUSE FOREIGN OPERATIONS SUBCOMMITTEE
April 4, 1990

Mr. Chairman and Members of the Subcommittee, I am William J. Byron, Chair of the Board of Bread for the World, a grassroots Christian anti-hunger movement with more than 40,000 members throughout the United States.

During the sixteen years since Bread for the World was founded, we have consistently advocated, before this Subcommittee and elsewhere, the importance of the quality of United States foreign aid in responding to the needs of the poorest people in the Third World. We have appreciated the efforts this Subcommittee has made to improve the aid the U.S. gives, and to fund important initiatives such as the Child Survival Fund, IFAD, women in development and the Development Fund for Africa. We have also been mindful of the Subcommittee's efforts to redirect resources to development assistance rather than military and security-oriented aid.

Our comments later will discuss the specific programs we believe merit special attention during the Subcommittee's deliberations on funding levels. I would like first, however, to emphasize several key points that undergird our point of view on foreign aid generally as we enter the 1990s.

There can be no denying the importance of events in Eastern Europe, the Soviet Union and the Third World over the last year that profoundly change the outlook for our nation's foreign policy and foreign assistance. The relaxation of tensions and the outbreak of democracy in many areas of the world allow us, pragmatically over the decade ahead, to move closer to a world that can enjoy a profound common security. It is in that spirit of opportunity that Bread for the World has embarked on the Share the Harvest of Peace Campaign, the keystone of which is Congressmen Matthew McHugh and Silvio Conte's Harvest of Peace Resolution, H.Con.Res. 259. An identical Resolution, S.Con.Res. 91, has been introduced in the Senate by Senators Mark Hatfield and Dale Bumpers. The Harvest of Peace Resolution calls for mutual, verifiable reductions in military spending, with the goal of halving worldwide military spending by the year 2000. It also urges significant reductions in military aid and arms sales, and a more constructive U.S. role in encouraging peaceful settlements of conflicts through regional and international negotiations.

How we choose to allocate this harvest of peace, the fruits of these changes, must be identified clearly to guide our future spending and budget decisions. The Harvest of Peace Resolution says that increased assistance should go to developing nations to overcome hunger and poverty, promote human rights and people's participation in political decisions affecting them, ensure sustainable development and protect the environment. In this effort, Mr. Chairman, you and your Subcommittee play a vital role. Likewise, we need to increase support domestically for programs that address human needs here at home, promote economic conversion for defense industries and their employees, and, certainly, take steps to reduce the federal deficit.

The budget deficit, of course, hangs over all discussions these days, and we recognize the need to address that. But we cannot lose sight of the human needs deficit that afflicts a billion people worldwide who are poor and hungry, and more than 30 million people here in this country who live in poverty. We as a nation and a world cannot achieve a lasting common security until that human needs deficit is reduced and eventually eliminated. To focus debate primarily on the U.S. budget deficit, as important as it is, would ignore the critical, daily human tragedy of hunger and poverty that is a growing, not a receding, menace.

Besides the Resolution, our Share the Harvest of Peace Campaign also includes efforts to reduce U.S. military and security aid to conflict regions, specifically El Salvador and the Horn of Africa, and continuing efforts to end apartheid in South Africa. My testimony will address these important military aid issues in more detail later.

The changed circumstances in Eastern Europe, in parts of Central America and Africa and elsewhere in the world create not only new political and economic possibilities, but also strain existing aid resources as the number of claimants for assistance increases. **We urge that the Subcommittee clearly adopt a priority to continue and enhance effective development aid programs to the poorest countries, targeted to poor and hungry people in those countries.** We recognize that countries such as Namibia and Nicaragua are emerging from times of severe conflict, and we believe that effectively targeted reconstruction and development aid now can help poor people and their groups in those countries overcome the tragedy of hunger and poverty that past U.S. policies have exacerbated. Yet the limited realm of development assistance funding cannot become the stage on which large-scale economic rewards are given to all the "emerging democracies" around the world. While the United States cannot ignore the needs of particular countries that are moving toward more democratic forms of government, we believe that adequate funding must be still be found for the regions where the needs are greatest and for the effective, life-saving programs that have had an important impact on the well being of the world's children. These are the very programs that will, in the longer run, help ensure that all our children live in a more trusting, secure world.

I would like to turn now to the specific programs and areas where we believe the Subcommittee should provide particular attention.

Recommendations

We have four categories of recommendations: 1) reducing overall levels of military and security aid; 2) increasing funding and enhancing bilateral and multilateral aid programs; 3) reducing the debt burdens of poor countries; and 4) supporting changes in the IDA IX Replenishment.

1. Reduce overall military and security aid in Third World countries and aid that perpetuates conflicts and human rights violations. Specifically:

a) Reduce military-related aid to El Salvador by at least 50 percent and condition the remainder of the aid on progress toward peace and significant improvements in human rights.

b) oppose the administration request for $900,000 each to Sudan and Somalia for military training as well as the request for $3 million in development assistance to Somalia. Condition all future non-humanitarian aid to those countries on the implementation of peace agreements negotiated between these governments and the opposition groups and on substantial improvement of human rights.

c) Oppose all loans not given for humanitarian purposes from the World Bank and the International Monetary Fund to Sudan, Somalia and Ethiopia until peace agreements are implemented and human rights are improved.

2. Increase funding and enhance bilateral and multilateral aid programs.

a) Increase the Development Fund for Africa to $1 billion. Include policy language that improves the effectiveness of the development fund for Africa, requiring: i) 10% minimum levels of assistance for priority areas of education and natural resources and additional funds above that level for health; ii) reporting requirements on the nature and results of consultation with poor people and its impact on development programs and projects; and iii) more effective Congressional monitoring of sectoral aid for policy reform to ensure that policy changes benefit poor people.

b) Provide $85 million for the Southern African Development Coordination Conference without country restrictions against Mozambique or Angola.

c) Provide $15 million for Namibia to promote development in critical areas such as agriculture, health, education and housing.

d) Provide $375 million for Migration and Refugee Assistance, specifically for refugee assistance.

e) Support the Administration request for $74.5 million for the Child Survival Fund and increase A.I.D. Health Assistance to $125 million.

f) Support the Administration request for the Agency for International Development's Women in Development office. The Administration has requested no funding for UNIFEM and INSTRAW, two organizations that provide valuable assistance to Third World women. We urge you to appropriate at least $2 million for UNIFEM and $500,000 for INSTRAW.

g) Appropriate no less than $30 million for the International Fund for Agricultural Development (IFAD) which provides valuable financing and technical support for small scale farmers.

3) Reduce Debt Burdens of Poor Countries: Support initiatives which provide significant debt relief for Third World countries. Currently under Section 572 of the FY '88 Foreign Aid Bill several African countries are receiving relief from development and economic support fund debts owed to the U.S. We urge you to support provisions which would provide relief of PL 480-related debts owed by the poorest countries to the U.S. Eligibility for debt relief should be based on a country's promotion of equitable, participatory and environmentally sustainable reform and development policies.

4) Support changes in the IDA IX Replenishment: Work to ensure that legislation related to the IDA IX replenishment includes provisions on: a) targeting aid to the poorest of the poor; b) a comprehensive plan for involvement of non-governmental organizations representing poor people in the design, implementation and evaluation of all projects and programs; c) a sharp decrease in structural adjustment lending and a refocusing of the remaining adjustment loans on promoting equitable and sustainable development.

What follows is further elaboration on these positions.

1. Reduce overall military and security aid in Third World countries and aid that perpetuates conflicts and human rights violations.

At a time when the world is experiencing a reduction in cold war tensions and interest in conflict resolution is mounting, we can reverse U.S. foreign aid priorities by investing more in development assistance and less in military assistance. We should also carefully consider the types of aid given in conflict situations, to ensure that aid does not perpetuate those conflicts.

El Salvador

Since 1980 the U.S. has given El Salvador $4.5 billion in aid, equalling an estimated $1.4 million per day. The majority of this aid has been bankrolling a ten year-old civil war which has had a devastating effect on the Salvadoran people, especially those who are poor. Since the civil war began, an estimated 70,000 people have been killed, thousands detained and tortured, and over a million people displaced from their communities in El

Salvador. During this same period, GNP per capita has declined 25 percent and unemployment and underemployment rose to 40 percent. According to UNICEF, 87 out of every 1000 children in El Salvador die before the age of five, 60 percent of the population is without access to safe drinking water and 56 percent is without access to health care.

Recently the crisis escalated. In response to the November FMLN offensive the government launched a counter-assault. Poor civilian neighborhoods of San Salvador were bombed and scores of church workers and trade unionists were harrassed, detained and sometimes tortured. Six prominent Jesuits and their two associates were brutally murdered by the Salvadoran army. In spite of international outrage over this incident it appears that Colonel Benevides, who is accused of being responsible for the murder, will be released.

Our nation's policies have been instrumental in bringing about the crisis that El Salvador now faces. The United States must change course and ensure that its policies bring peace to this tragic situation. Only a significant reduction in military aid and strict conditions on the remaining military and economic aid will convince the Salvadoran government to negotiate a peaceful solution to the war and allow for the emergence of a genuine democracy in El Salvador. **We urge you to vote for a cut-off or a significant reduction in military aid to El Salvador and condition the remainder of U.S. aid on significant improvements in human rights and progress towards peace.**

The Horn of Africa

Famine looms large over the Horn of Africa while fighting escalates and human rights violations continue. Five million people in Eritrea and northern Ethiopia, 5.6 million people in Sudan and 500,000 people in northwest Somalia live at risk of starvation largely because of protracted civil wars, which have their roots in unrepresentative governments, inequitable distribution of wealth and resources, poor agricultural policies and underdevelopment.

The governments of these countries have resorted to policies of tribalization (arming tribal groups to fight each other) and human rights abuse, and have sought external aid to strengthen their military positions. Poor people, especially women, children and older people, have suffered disproportionately and benefit least from economic and security aid given during times of conflict. Fighting in the last few months in Sudan and Ethiopia has hampered relief efforts and heightened the risk of starvation for millions of people.

U.S. economic and security aid to Sudan and Somalia amounting to more than $1.4 billion over the last seven years has brought neither peace, sustainable development, nor lasting relief of human suffering to these two countries. We are pleased that most U.S. economic and military aid to Sudan and Somalia has now been halted. **We strongly urge the continued halt of non-humanitarian aid to Sudan and Somalia until peace is achieved and**

human rights are improved. We urge this committee to oppose the administration's request for $3 million for development assistance to Somalia and $900,000 for military training each to Sudan and Somalia.

The United States recently supported loans from the World Bank amounting to $80 million for Sudan and $70 million for Somalia. We oppose World Bank assistance to these governments because of the continued fighting and human rights violations in their countries. It is questionable whether loans to these governments, as a show of support, actually benefit poor people when given in the context of escalating internal wars. Economic aid seldom stimulates economic growth or development when large amounts of a country's resources and foreign aid are contributing to destructive regional and civil wars. **We urge the committee to direct the U.S. executive directors of the World Bank and the International Monetary Fund to oppose loans for non-humanitarian purposes to Sudan, Somalia and Ethiopia until peace is achieved and human rights are improved.**

2) Increase effective bilateral and multilateral aid programs: the Development Fund for Africa; SADCC; Namibia; Migration and Refugee Assistance; the Child Survival Fund, A.I.D. Health Assistance; Women in Development; and IFAD.

The Development Fund for Africa (DFA)

U.S. assistance to sub-Saharan Africa has declined over the years. From 1980 to 1986 sub-Saharan Africa received an average of $1.6 billion annually from the United States. In 1990 the level of assistance had decreased to $907 million. The changing situation in Eastern Europe and the readiness of the United States to respond with substantial amounts of assistance has raised fears about further decreases in U.S. assistance to sub-Saharan Africa. Our concerns about assistance to sub-Saharan Africa are both quantitative and qualitative.

Africa continues to experience a severe economic crisis. Rising debt burdens, a precipitous fall in commodity prices and wars and famine in some countries have all contributed to increased human suffering in the region. Over the past several years family incomes have declined sharply. Malnutrition has risen massively, food production has fallen relative to population, and the quality and quantity of health and education services have deteriorated. Africa's people still experience the highest infant mortality and the lowest life expectancy worldwide. Unemployment and underemployment have increased. Famine and war have made 4.5 million people refugees and millions of others displaced persons.

While U.S. levels to Africa have been falling, the budgets of African governments have also been substantially reduced in human needs areas. In many cases health budgets have been reduced by thirty percent and even more, because of recession and the debt crisis, with severe damage to primary health care delivery systems. Despite serious threats to health facing

African countries, such as AIDS, malaria and guinea worm disease, and lack of access to safe drinking water, U.S. health assistance to Africa has been reduced to a very low level in spite of these extremely pressing health needs.

A ten percent target for health funding is an extremely modest target for two reasons. First, health and child survival for 1990 are 15 percent of A.I.D.'s total spending under development assistance to the rest of recipient countries worldwide. Second, and even more important, Africa's health needs are great.

Bread for the World supported the establishment of the DFA in the 1987 Continuing Resolution because we thought it would redress past disproportionate cuts in economic assistance to Africa. We also thought it would be guided by policy language that would assure a sustainable, equitable and participatory approach for U.S. foreign assistance. In the absence of authorizing legislation, we are concerned that there is not sufficient guidance to ensure that poor people are consulted about the design and implementation of development programs and projects and that poor people are not adversely affected by economic policy reforms. We also urge that minimum levels of assistance for the critical sectors of health, education and natural resources be prescribed. **We urge you to increase the DFA to $1 billion and to include policy language that will improve its overall effectiveness. We urge you to require 10 percent minimum levels of assistance for the priority areas of education**

and natural resources and that additional funds above that level be made available for health. We urge you to adopt more accountability and evaluation provisions, such as reporting requirements.

Southern African Development Coordination Conference (SADCC)

South Africa's agreement to withdraw from Angola and Namibia and end its assistance to UNITA are steps toward an end to the era of South African destabilization in the southern Africa region. It is important, now more than ever, that the United States increase its support for SADCC's goals of regional development and recovery from South Africa's campaign of economic and military destabilization. As an association of nine majority-ruled states of southern Africa, SADCC works through regional cooperation to improve transportation, communication, energy conservation, development, food security and mining.

South Africa's campaign of destabilization has resulted in total estimated losses to member states of more than $50 billion from 1980 to 1988, as documented by UNICEF and the Economic Commission on Africa. Destabilization has meant direct war damage, extra defense spending, higher transportation costs, higher energy costs, reduced productivity through rural terrorism, assistance for displaced persons and refugees from neighboring countries, excess costs of South African goods and inequitable trading arrangements with South Africa. The human costs have been great, including 1.5 million refugees, 6.1

million internally displaced people and another 4.5 million people also dependent on food aid. The total number of dead resulting from South Africa's destabilization of the region had reached 1.5 million by the end of 1988. UNICEF reported that over half of these fatalities were children under five.

In the past, Mozambique's and Angola's access to U.S. contributions to SADCC has been restricted. Denying aid to member countries that coordinate SADCC priorities (e.g., Mozambique coordinates regional work on transportation and Angola coordinates regional work on energy conservation and development) denies critical aid to all SADCC states and helps to ensure their continued economic dependence on South Africa. We anticipate that Mozambique which now has "friendly nation" status with the U.S. will not be restricted in FY '91. **We urge an increase to $85 million in U.S. assistance to SADCC without country restrictions against Mozambique or Angola.**

Namibia

On March 21, 1990 independence was officially declared in the new Republic of Namibia. Namibia, which adopted a multi-party system and the most democratic constitution in Africa, joins a host of newly emerging democracies around the world. The United States has responded to newly democratic governments in eastern Europe with aid amounting to more than $430 million. In comparison, the $7.9 million for FY '91 requested by the administration for Namibia is insignificant at best. As broker of the tripartite peace accord of December 1988, which provided for Namibian independence from South Africa, the United States has a responsibility to assist Namibia as it takes its first steps as an independent democratic country.

Namibia has to overcome the destruction caused by the war in its northern region and the remnants of apartheid structures. Development is especially needed in the critical sectors of health, agriculture, education and housing. We thank this committee for approving an additional $10 million for FY '90. **We urge you to provide no less than $15 million for Namibia for FY '91.**

Migration and Refugee Assistance

The number of worldwide refugees has increased by 50 percent over the last five years. The refugee situation in Africa is critical. Of the 15 million worldwide total more than 4.5 million refugees are in Africa, primarily in the war-torn Horn of Africa and southern Africa. Decreasing contributions to international refugee programs such as the United Nations High Commissioner for Refugees (UNHCR), the World Food Program (WFP) and the International Committee of the Red Cross (ICRC) has hampered the capacity of these agencies to provide crucial services and meet increasing needs. There is a downward trend in per capita contributions to UNHCR, for example. While the number of worldwide refugees has increased by 50 percent, the UNHCR budget has grown by only 25 percent. The U.S. share of contributions to UNHCR has not kept up with the need and has decreased to 22 percent from 27 percent over the past five years. The new High Commissioner, Thorvald Stoltenberg, recently stated, "I can't fulfill my mandate. Levels of care are falling. I have only half the resources per refugee today we had in 1980." The High Commissioner's staff reported in 1989 that refugee children are suffering from acute malnutrition, education for refugee children is inadequate and water quality is poor. They also reported that basic items such as blankets, tents, cooking utensils, heating and cooking fuel are in short supply. **We urge you to increase the U.S. contribution to Migration and Refugee Assistance to $375 million for refugee assistance.**

Child Survival Fund and the U.S. Agency for International Development Health Account

The U.S. Agency for International Development has played a significant role in helping reduce the number of children who die from preventable diseases, spending almost $200 million a year from a variety of sources on child survival efforts. The worldwide effort has increased the immunization rate for vaccine preventable childhood diseases to 60 percent. However, combatting malnutrition has been neglected in child survival efforts in the 80's. Bread for the the World wishes to see this problem receive greater attention in the 90's and believes that A.I.D. can contribute by revitalizing its nutrition program. **We support the Administration's request of $74.5 million for the**

Child Survival Fund and we urge an increase to $125 million for A.I.D. Health Assistance.

Women in Development

Women are vital to economic activity in Third World countries, producing more than half their countries' food, for example. In spite of attempts over the last two years to assist A.I.D. to increase the number of women that its projects benefit, we find that improvements are still needed. **We urge you to support the Administration's request for an increase in funding for the Agency for International Development Women in Development office, increase funding to UNIFEM to $2 million and to $500,000 for INSTRAW.**

International Fund for Agricultural Development (IFAD)

Bread for the World continues to support IFAD for its grassroots focus to encourage more effective agricultural development for small scale and landless farmers. **We urge the committee to provide no less than $30 million for IFAD.**

3) Reduce the Debt Burdens of Poor Countries

The debt burden and economic adjustment programs continue to be a significant barrier to development in Third World countries. The poor indebted countries are now sending $50 billion more a year to the creditor nations than they are receiving in new aid and trade revenues. Each of these dollars spent in debt service payments is not available for investing in development and essential social services such as health care and education.

Between 1981 and 1988 real per capita income declined in absolute terms in almost every country in South America. The debt burden has been particularly onerous for the poorest countries, primarily located in Sub-Saharan Africa. Per capita income is only three-quarters of its 1970 levels. According to UNICEF the poorest Sub-Saharan African countries spend 50 percent less on health care and 25 percent less on education than they did in the early 1980s. World Bank projections for the early 1990s indicate no per capita growth in this region.

Several important initiatives have been taken in recent years to address the debt crisis, including the "Brady Plan" and Section 572 of the FY '88 Foreign Aid Bill. We applaud the Foreign Operations Subcommittee for your leadership in the passage and implementation of Section 572, which authorized the Administration to offer debt relief to some of the least developed countries. According to A.I.D., 14 African countries are currently slated to benefit from this provision. However, additional debt relief is still needed if debtor countries are going to have resources to invest in development. **We urge the Committee to support provisions offering additional debt relief to the poorest countries. Specifically we hope you will support**

provisions that would provide relief of PL 480 debts owed by the poorest countries to the U.S.

We are also concerned about the requirement that countries have World Bank or IMF structural adjustment policies to be eligible for debt relief. While we and others recognize that many nations' policies must be reassessed and changed, we are concerned that as currently designed many structural adjustment policies have not promoted poverty alleviation and sustainable growth in many countries. A House Foreign Affairs Subcommittee, in a March 1989 staff study report on Ghana and Senegal, asserts that if adjustment programs are to survive, poverty alleviation must become a central concern in their design. Their report along with numerous studies by the United Nations and non-governmental organization have documented increasing poverty, unemployment and hunger in countries with World Bank and IMF adjustment policies.

We believe that the feasibility of adjustment relies on broad-based growth that includes the poorest of the poor--who constitute a large percent of the populations of poor countries. Several proposals for alternative economic reform programs coming from Third World countries argue that structural adjustment policies can be redesigned to involve and benefit poor people. For example, the United Nations Economic Commission for Africa (ECA), in a proposal endorsed by the finance ministers of Africa, argues for policy reforms promoting "structural transformation" rather than structural adjustment. Structural transformation would emphasize increasing food self-reliance, correcting the inequitable distribution of assets and income, reducing unhealthy dependence on a few exports, and promoting regional economic cooperation and trade. Poor people would play a key role in the decisionmaking under this structural transformation process. The ECA is currently working with several African countries to help them develop alternative policy reform programs. **We urge the committee to base eligibility for debt relief on a country's promotion of equitable, participatory and sustainable development.**

4) Support Changes in the IDA IX Replenishment.

The International Development Association (IDA) was established as a "soft-loan" window of the World Bank in 1960 in order to make concessionary financing available to countries which were too poor, or whose creditworthiness was too precarious, to qualify them for the Bank's regular loans. While BFW and many other religious and development organizations have been supportive of IDA in the past, we are increasingly concerned that many IDA loans are not benefitting poor people, particularly the poorest of the poor. In addition, many NGOs have been critical of the use of IDA loans to leverage and support economic policy reforms which have not served the interests of poor people and which have had a particularly negative impact on the lives of women and children.

BFW along with other members of the Development Bank

Assessment Network (which includes among its participants some 15 religious, development and environmental organizations) are urging Congress and the U.S. Executive Director to promote several changes in IDA lending programs that will make them more appropriate and responsive to the needs of poor people and of a healthy environment. Some of these key changes include:

1) a comprehensive plan for eliciting the views of local people in all recipient countries and systematically factoring those views in the design, implementation, and evaluation of all projects and programs, including structural adjustment programs.

2) social impact assessments conducted on a routine basis, by independent parties, of at least 50 percent of IDA programs and projects;

3) a sharp decrease in structural adjustment lending and a plan for lowering the percentage in every country to under 10 percent of total IDA lending to that country;

4) a refocusing of the remaining structural and sectoral adjustment lending toward the following objectives: promoting food security, increasing the access of the poor to productive assets, encouraging national economic self-reliance, emphasizing production for local needs and deemphasizing export production, developing community-based enterprise, and strengthening the quality and delivery of essential social and technical services. **We urge the Subcommittee to ensure that legislation relating to the IDA IX replenishment includes provisions that incorporate these policies.**

Mr. Chairman, Bread for the World appreciates the opportunity to present these views, and I am prepared to answer the Subcommittee's questions at this time.

Mr. OBEY. Thank you.

I should say off the record that you are the fellow responsible for the fact I don't see my wife as often as I should because she is enrolled in Catholic University social work program. That is a great program out there.

Father BYRON. She is doing very well, I have to assure you, Mr. Chairman. [Laughter.]

Mr. OBEY. I will tell her you said that.

The only other thing I will say is that we do not deal with PL 480 in this subcommittee. That is beyond our jurisdictional reach.

With respect to El Salvador, this is an Appropriations Committee, not an Authorization Committee, and so my view is that people need to understand we have the power to determine funding levels, but not to draft conditions. That is not kosher under the way——

Father BYRON. I understand.

Mr. OBEY [continuing].—We do business here.

Father BYRON. Yes.

Mr. OBEY. With respect to use of the peace dividend, I agree that we ought to be able to cut our military expenditure in half. I have observed a number of times that I think the peace dividend is going to be used in part for deficit reduction, part for domestic investment, part for foreign aid revisions, and the other part for new math teachers for every Member of Congress.

Father BYRON. We're trying to introduce into the vocabulary the notion of sharing a harvest of peace, and vocabulary is sometimes determinative. You have some assumptions. Dividends go to shareholders. We are interested in the people that can produce the harvests. Everybody is raising needs, but we see the most urgent need in the empty belly of the hungry poor.

Mr. OBEY. Thank you.

Father BYRON. Thank you, sir.

Mr. OBEY. We appreciate it.

WEDNESDAY, APRIL 4, 1990.

NATIONAL COUNCIL FOR INTERNATIONAL HEALTH

WITNESS

LANE VANDERSLICE, POLICY ANALYST

Mr. OBEY. Next we will hear from the National Council for International Health, Lane Vanderslice.

Mr. VANDERSLICE. Thank you, Chairman Obey, for the opportunity to testify today.

We have recommendations in three health areas: child survival, including nutrition; AIDS; and population.

We also have recommendations in two important health-related areas: popular participation in the development process, and women in development.

I'm not going to spend much time on those latter. Let me just say that we think it is important, both to cure health problems and in general, to get aid to the poorest people, and our whole development program should be looked at from that point of view.

Women in Third World countries need our assistance, and so do grass-roots and local groups. We would hope that the committee would look at those issues in determining the allocation of resources and increase the funding for groups like the ADF and the IAF—Inter-American Foundation—that do get resources to these groups. If necessary withdraw it from other development assistance initiatives that don't do such a good job.

Let me turn now to child survival. We have a recommendation on child survival and also on nutrition.

The first Summit on Children will be held in New York in September of 1990. Heads of state—we hope including President Bush—will be meeting to determine the legislative and policy initiatives on children into the next decade, and even into the next century.

We would propose that Congress would undertake steps in child survival this year that would contribute to child survival efforts, indicate firm Congressional support for these initiatives, and provide President Bush with important elements of a concrete proposal to take to the summit. We have four recommendations.

One, I think that this and next year are outstanding years for evaluation and discussion of child survival. A Congressional call for child survival and this assessment should contribute to its success.

The campaign on immunization is ending this year, and this campaign has been very successful in raising immunization levels, but assessment of its results and provision for its continuation is essential.

It is also time for choosing new directions in child survival. An analysis of these directions is necessary to maximize the use of scarce resources.

A second point: there should be much more effective use of the PL 480 program to combat malnutrition. I know PL 480 in terms of a funding program does not pass through this committee, but certainly AID's initiative is in child survival and in having an effective AID program are part of that concern.

We believe that there is much, much more that can be done within the PL 480 program to improve its contribution towards malnutrition, which is a major problem for women and children in the third world. I think your concern with this will help move it forward in a considerable way.

We have done a study—which I perhaps can submit for the record, or at least for you to read—on malnutrition and children and the PL 480 program. One important problem, for example, is that AID has a nutrition program that has nothing at all to do with the PL 480 program. They have a nutrition program which is really divorced from the major contribution which the U.S. government makes towards combating malnutrition, which is the PL 480 program. So there are a number of serious problems and real opportunities for moving ahead on this.

Third, we have a proposal with respect to UNICEF. It is clear that present successes in child survival need to be extended. UNICEF is going to be a major bearer of the cost burdens, as it has been in the past, and we would recommend an additional $10 million for UNICEF.

Finally, the World Health Organization. The World Health Organization has a number of extremely important programs for children, including the expanded program on immunization, the control of diarrheal disease program, and the acute respiratory illness program. The United States at present contributes only $1 million to these programs, and we believe that some increase in these contributions should be made.

The EPI program has been invaluable in setting the technical standards for immunization in the world, and we believe that these programs need to be supported.

Finally, I would add that the restoration of AID for cuts in its health program would be extremely valuable, as AID really has a shortage of resources to combat child survival. I don't see how they can really propose a cut in their health program, which is where the largest share of funds for child survival come.

Second, the AIDS prevention and control fund. AIDS is a tremendous problem in developing countries—especially in Africa, but also in other areas like the Caribbean. The U.S. has made an extremely timely and important contribution to developing country efforts through the AIDS prevention and control fund.

We think that the level proposed by the Administration for the fund is very inadequate and would propose $50 million for the fund to be divided equally between the AIDS own program, which we find very effective, and the World Health Organization general program on AIDS.

Finally, with respect to population, I think I would just echo some statements that have been made here earlier. The world population in this decade will raise by 900 million people. The United Nations hopes that it will level off at 10 billion. There is a need for more resources in this program. We would hope that the population assistance would be increased by $20 million this year with the eventual goal of $500 million.

Thank you.

[The prepared statement of Mr. Vanderslice follows:]

NCIH NATIONAL COUNCIL FOR INTERNATIONAL HEALTH
1701 K STREET, N.W. SUITE 600, WASHINGTON, DC 20006, (202) 833-5900, FAX: (202) 833-0075

Testimony
Before the Subcommittee on Foreign Operations
House Appropriations Committee
April 4, 1990

Lane Vanderslice
Public Policy Analyst
National Council for International Health

Chairman Obey, members of the subcommittee, I am Lane Vanderslice, Public Policy Analyst of the National Council for International Health. Thank you for the opportunity to present testimony today on NCIH views of the role of international health in our country's foreign assistance program. NCIH is an organization with more than 160 organizational and 2,000 individual members who are actively involved in working with developing countries in helping to improve their health, population, nutrition and water and sanitation programs.

We have recommendations in five areas: Child survival including nutrition, AIDS, population, popular participation in the development process, and women in development.

1. CHILD SURVIVAL

The first Summit on Children will be held in New York in September 1990. Heads of state, possibly including President Bush, will attend. It is hoped that the leaders of the world will make an effective commitment to improving the situation of the world's children. NCIH proposes that Congress undertake a child survival initiative for 1990 that would contribute to child survival efforts, reaffirm its own support for child survival efforts, and provide President Bush with a concrete proposal to take to the summit in September.

The 1980s

The 1980s has been a decade of substantial success for the international campaign to save children's lives. This cooperation has led to very significant successes. The immunization rate against common childhood diseases such as measles and whooping cough is up to over 60 percent from about 10 percent when the campaign began. Oral rehydration therapy, the low cost remedy against dehydration due to diarrhea, is saving the lives of an estimated one million children per year. The campaign has had positive spinoffs, including the Summit on Children. The United Nations has also recently passed the Rights of the Child draft treaty. It will probably be widely ratified by the nations of the world.

A Child Survival Proposal

NCIH believes the following four elements should be included.

Evaluation. There are a number of reasons why this year should be a year of assessment and discussion of child survival, and a Congressional call for such assessment should contribute to its success. This is the last year for the worldwide immunization campaign which has been so successful in raising immunization levels. Assessment of its results and provision for its continuation is essential. There has also been considerable experience with ORT initiatives, and evaluation would be valuable, since progress in several other areas depends, like ORT campaigns, on increasing public knowledge. It is also a time for choosing new directions for child survival. Analysis of these directions is necessary to maximize the use of scarce resources.

A.I.D. Malnutrition, as a cause of children's death and ill health, has not been well addressed in the 1980s. There is reasonable consensus among nutritionists about the correct steps to take. Underweight mothers and children should be targeted for supplemental feeding. The mortality rate for underweight children is twenty times greater than normal. Other elements should be included as well, including nutritional supplements such as iron, and basic health services, such as immunizations against neonatal tetanus. A.I.D. should be the leader in this area, both because it has done innovative work in nutrition in the past, and because the U.S. food assistance program is the world's largest. There have been efforts to address the problem in the PL-480 program, but these efforts can be greatly improved.

NCIH proposes that A.I.D.: increase targeting of malnourished children and mothers for feeding programs; (gradually) increase funding for these feeding programs using resources from less valuable PL-480 programs; provide more technical assistance to PVOs who are carrying out the feeding programs including nutritional assessments; integrate child survival and nutrition programs.

UNICEF. It is clear that present successes in child survival must be preserved and extended, and that some new approaches should be added, such as combatting malnutrition or reducing deaths from acute respiratory illness. Some of the cost of these new programs will be born by UNICEF.

NCIH proposes that the U.S. contribution to UNICEF be increased by $10 million. This should lead to an overall increase in UNICEF's resources by a multiplied amount as other countries respond as well.

WHO. WHO has a number of extremely important programs for children, including the Expanded Program on Immunization (EPI), the Control of Diarrheal Disease program (CDD), and the Acute Respiratory Illness Control program (ARI). Approximately one third of these programs are used for research, especially applied research, and the remainder for technical and other forms of assistance to countries, principally developing countries. It was the expanded program on immunization which laid the groundwork and provided much technical support for the worldwide immunization drive. The ARI program, established in the early 1980s, is now helping countries formulate and carry out their attack against acute respiratory illness, particularly pneumonia, a leading cause of child mortality. It is a program which should be larger. The CDD program is making important progress in promoting ORT and measures to prevent diarrhea such as breastfeeding and hygiene. These programs depend in large part on voluntary contributions, and WHO is having some difficulty in raising funds for these programs' 1990-91 budgets, which in total are $35 million.

The U.S. has not been a major voluntary contributor to these programs, contributing only $1 million this year. NCIH proposes an additional U.S. voluntary contribution of $5-7 million. This would provide strong U.S. support for these programs.

2. THE AIDS PREVENTION AND CONTROL FUND

AIDS is a significant problem in developing countries. The U.S. has made a important contribution to developing country efforts to combat the spread of AIDS through its AIDS Prevention and Control Fund, administered by the Agency for International Development. NCIH recommends that $50 million be provided to A.I.D.'s AIDS Prevention and Control Fund for 1991, and that WHO receive half.

AIDS in Developing Countries

Over 5 million people world wide are infected with the Human Immune Deficiency Virus (HIV), which has a high probability of developing into full blown AIDS. Over 2/3 of those infected are in third world countries. WHO estimates that the number of infected people worldwide will double by the turn of the century. There are many countries, principally in Africa, where HIV/AIDS is a more severe health problem than in the United States. By 1989, all countries were aware of the global dimensions of HIV/AIDS and its extensive social and economic implications. National AIDS program development had begun in over 150 countries. Yet there are two major problems to combatting the spread of AIDS according to WHO: the lack of resources and health infrastructure in many countries, principally developing countries, and the difficulty in modifying social behaviors that contribute substantially to the spread of AIDS, such as drug use, prostitution, and resistance to "safe sex" practices. The main form of transmission is heterosexual. Moreover, in some countries, transmission from mothers to infants has become a major health problem.

The AIDS Prevention and Control Fund

The Fund is the principal way in which the United States contributes to combatting the spread of AIDS in developing countries. It was established by Congress in 1987. For FY 1990, $21 million of the Fund was used for A.I.D.'s own program of AIDS assistance, and $21 million went to support WHO's Global Program on AIDS (WHO/GPA). We are happy to say that both programs recognize the importance of PVOs in the fight against AIDS, and that A.I.D., in particular, has made effective use of PVOs' abilities.

A.I.D.'s bilateral program supports the efforts of developing country governments and non-governmental organizations. A.I.D.'s program emphasizes three things. Through its AIDSCOM project it assist countries to inform people of the dangers of AIDS, and in ways which will most contribute to modifying dangerous behavior. Secondly A.I.D. helps countries to strengthen technical capacity in a variety of areas, such as screening for the AIDS virus. Finally, it supports research efforts in a variety of areas, such as tests for AIDS that are simpler to carry out.

WHO/GPA. WHO has the lead role in the international fight against AIDS. NCIH was saddened by the resignation of Jonathan Mann, but has every confidence that the WHO program will continue to move forward. WHO has played a very significant role in helping developing countries design and implement their AIDS programs. WHO provides technical assistance in a wide variety of areas, for example, helping countries set up blood screening programs or conducting surveys to determine the prevalence and modes of transmission of the AIDS virus. It helps countries to share information. Africa in particular is a region where WHO must continue to strengthen its own and member countries AIDS efforts. The U.S. contribution has been vital in enabling WHO to expand substantially its work on AIDS.

3. FAMILY PLANNING

This decade will see 900 million more people born into the countries of the developing world. The hopes that the world's population will stabilize (at 10 billion!) are threatened by the simple fact that most women in developing countries still do not have access to family planning. **NCIH recommends that funding for population activities be increased by at least $20 million this year, with a goal in the not to distant future of $500 million and that funding be restored for UNFPA and International Planned Parenthood.**

Up to 75% of women of child bearing age in developing countries want to delay or limit child-bearing yet (outside of China) 60 percent of these women do not have access to contraceptive methods. In as many as 25 African countries, 40% of women have their first child before age 18. Family planning allows women to choose when to have children, as well as to bring healthy pregnancies to term.

The absence of family planning also has a profound impact on the health of women around the world. If a woman starts child bearing early or if the births are closely spaced, she faces an increased risk to her health and life. Maternal morbidity is estimated to be the first or second most important cause of death among women of reproductive age in developing countries. The most common causes include obstructed labor and ruptured uterus, postpartum hemorrhage, eclampsia and complications from incomplete abortion. In Latin America, problems from illegal abortions account for as much as 30-40% of maternal deaths, and this is increasingly true in Africa as well. The World Health Organization estimates that 500,000 women die each year from pregnancy-related causes, more than 98% of these deaths occurring in the developing world. Many of these deaths could be averted by contraceptive use.

4. DEVELOPMENT AGENCIES AND GRASSROOTS ORGANIZATIONS

Local groups in developing countries have become important in the development process. In spite of their acknowledged importance, international aid agencies are not working very effectively with local groups, though there has been progress. Resources directed toward a small scale, local approach to development are minimal, in comparison with the resources provided to developing country governments. For example, the IDB's total lending and grant program is $2,327 million for 1988, making its small projects program a few tenths of one percent of its total program. It does not deny the value of lending to governments to say that resources devoted to local initiatives are disproportionately small.

NCIH recommends that $19 million be provided to IAF and $13.5 million to ADF, as these are two agencies whose mission, undertaken successfully, is to work with grassroots groups, and that a section of the foreign assistance appropriations report be devoted to assessing the issues and progress in aid agency collaboration with local groups. Our own contribution to this evaluation follows.

Collaboration with Grassroots Organizations

Grassroots organizations share similar goals with international development agencies, yet the degree of collaboration with such agencies is surprisingly low. This paradox is explained in part by what is regarded on the indigenous side as heavy-handed interventionism. The development agencies in turn find it difficult to involve local groups for a variety of reasons, including the large size of projects, the lack of a sufficient staff presence in a given country to facilitate consultation, limits on staff time to design and implement a project, and a strong orientation to working with and through governments.

The World Bank has made a significant effort in the last three years to increase its collaboration with grassroots organizations, or non-governmental organizations (NGOs) as they are sometimes called. A review of Bank financed projects which involved NGOs found that such projects comprised approximately 5% of all projects between 1973 and 1988. In 1989, that figure rose to 22%. As these projects were small, the percentage of total project spending was much lower, less than an estimated 5%. Nevertheless, according to a Bank report, the Bank is coming to realize that NGOs are vital channels of local knowledge and experience whose input succeeds in making the Bank's policies in Third World countries more relevant and more effective.[1]

The Inter-American Development Bank, through its Small Projects Program, does collaborate with grassroots organizations. From 1978, when the program was established, until 1988, when it was reviewed, the program has provided more than $72 million for local development efforts in a wide range of sectors. The primary purpose of this program is to assist the lowest socio-economic sectors which are without recourse to regular credit mechanisms.[2] However the IDB has not expanded the program in spite of demands for assistance from the program which far exceed funds provided for the program ($8.7 million in 1988), and considerable satisfaction within and outside of the IDB about the program.

The Agency for International Development undoubtedly has the best record of working with local groups. It does not do this directly, but through the assistance that it provides through U.S. NGOs. A significant fraction of A.I.D.'s assistance does reach the local community and in ways that involve significant community participation and decision making. For example, food assistance provided through Catholic Relief Services in Latin America is a project of the Catholic Church of the particular country and not of Catholic Relief Services. This is not to say that efforts to assist local organizations through U.S.-based NGO's should not be strengthened. Much more can and should be done. A.I.D.'s Africa Bureau has commissioned a study on how this might be accomplished in Africa.

---

[1] World Bank Report #8014, Sustainable Growth with Equity: A Long Term Perspective for Sub-Saharan Africa, August 15, 1989, p.159.

[2] Ten Years of Small Projects: Bringing the Margin into the Mainstream, Inter-American Development Bank, p.5.

5. WOMEN IN DEVELOPMENT

NCIH believes that U.S. development assistance needs to reach women in developing countries because of women's crucial role in production, especially agricultural production, and their central role in other activities such as family health. We are pleased to say that Women in Development initiatives at A.I.D. have increased over the last several years, partly due to Congressional interest in this matter, and seem to be at the point of making a significant impact in A.I.D.'s development assistance program. The $3 million program that is used by the A.I.D. Women in Development office to leverage efforts by the country missions and regional bureaus to do a better job in assisting women in developing countries is in fact having this effect. On the other hand, NCIH was shocked to see that the Administration has requested no funding at all for UNIFEM and INSTRAW, the two U.N. agencies that focus on women in developing countries. NCIH recommends that the funding for the A.I.D. matching program be increased by $2 million; that funding for UNIFEM be increased to $2 million; and that funding for INSTRAW be increased to $500,000.

Mr. OBEY. Thank you very much. We appreciate it. Those are very realistic numbers.

WEDNESDAY, APRIL 4, 1990.

AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

WITNESS

DR. SANFORD KUVIN, M.D., LEGISLATIVE TASK FORCE

Mr. OBEY. Next we will hear from the American Society of Tropical Medicine and Hygiene, Sanford Kuvin.

Dr. KUVIN. Good morning. My name is Sanford Kuvin. I am Associate Professor of Medicine at the University of Miami Medical School. I am also Chairman of the International Board of the Sanford Kuvin Center for Infectious and Tropical Diseases at the Hebrew University of Jerusalem. I am also Vice Chairman of the Board of Trustees of the National Foundation for Infectious Diseases in Washington, and I am testifying to you today on behalf of the American Society of Tropical Medicine and Hygiene, which is the largest professional society in the world of basic and clinical researchers and practitioners in the field of tropical medicine. I would like to request that my written statement be entered into the record.

The United States malaria vaccine program has shown global leadership for one of the world's most important diseases that kills over 2.8 million people annually with over 280 million cases. These statistics have a dramatic impact on the United States, not only medically, but also economically, politically, and socially.

The purpose of my testimony today, Congressman Obey, is not to discuss the controversial management issues at the Agency for International Development which are now being corrected, but to address the important scientific contributions which have been made possible by your support and the support of your committee in this vital program.

The vast majority of death and illness from malaria occurs in developing countries, but it is a disease which is of enormous importance to the United States as part of our assistance to enhance development and stability in parts of the world where malaria is rampant.

Malaria is becoming an increasing threats to Americans, as well, with over 1,000 cases reported last year in the United States, and with increasing numbers at risk to the U.S. military diplomats and U.S. citizens traveling abroad.

Protective measures that we have depended upon over the past two decades have become less and less effective because of increasing resistance to anti-malarial drugs. And, in addition, malaria mosquitos, of course, respect no international borders. They don't need a passport, and they don't need a visa.

There is no single drug that now exists which is well tolerated and provides universal protection against malaria. We are, therefore, now beginning to see a significant increase in the number of fatal, drug-resistant malaria cases around the world that impact on this country's anti-malarial efforts and which lend urgency to the malaria vaccine development program.

This is a time of great opportunity for United States malaria research. The advances in science over the past decade—particularly by American scientists—have allowed many approaches to the development of a malaria vaccine that would have not been possible 15 years ago—and 20 years ago, Congressman Obey, I worked at NIAID. I discovered the fluorescent antibody test for malaria. Nothing that is happening today would have been even thought of at that time.

Most scientists in this area believe firmly that the development of a practical malaria vaccine is an attainable objective, and, therefore, the importance of your support and your committee's support is absolutely essential.

Research progress in the United States in this critical area has been nothing short of astounding. The scientific breakthroughs, in combination with the AID-supported network of institutions and collaborative research initiatives, has set the stage for the development of a safe and effective malaria vaccine.

A number of Federal agencies have, of course, played a complimentary role in malaria vaccine development—NIAID, the military—each addressing aspects which fulfill their own missions and mandates. But the single agency which stands out more than any other is the Agency for International Development. Through the support of the scientific initiatives funded by AID, their multi-faceted direction of research programs has laid the foundation for the conquest of this disease—which, by the way, would be the most important contribution to public health since the elimination of smallpox.

There are seven private U.S. institutions and universities funded by AID, and they are all supporting research programs exploring approaches for the development of a vaccine. In addition, AID provides facilities for pre-clinical and clinical human volunteer testing of malaria vaccines, as well as supporting field investigations designed to obtain information to the development of vaccine efforts.

Funding for the entire AID effort in fiscal year 1991 will be $8.7 million—$8.5 million for malaria vaccine development and research, and $200,000 to support malaria field trials of vaccine candidates.

We certainly urge that this subcommittee continue its efforts in support of this worthwhile program; however, we also urge that you consider increasing this funding base to the level of 1988, which was $11 million, and which will enable AID to pursue the many scientific opportunities to develop a safe and effective malaria vaccine which now exists.

Congressman Obey, five children die every minute from Malaria. It is, therefore, vital for the health of this nation and the world that an effective vaccine be found for the management of this dread disease. The United States is the locomotive that is driving malarial vaccine development, and your support on the efforts of AID will certainly help to ensure this goal.

I thank you, sir, and I invite any questions you might have.

[The prepared statement of Dr. Kuvin follows:]

STATEMENT OF
THE AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

BEFORE THE

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING
AND RELATED PROGRAMS

BY

SANFORD F. KUVIN, M.D.

ASSOCIATE PROFESSOR
UNIVERSITY OF MIAMI MEDICAL SCHOOL

CHAIRMAN, INTERNATIONAL BOARD
SANFORD KUVIN CENTER FOR INFECTIOUS AND TROPICAL DISEASES
HEBREW UNIVERSITY OF JERUSALEM

April 4, 1990

Thank you Mr. Chairman, Members of the Subcommittee for the opportunity to testify before you today. My name is Sanford F. Kuvin, and I am Associate Professor at the University of Miami Medical School, and Chairman of the International Board of the Sanford Kuvin Center for Infectious and Tropical Diseases at the Hebrew University of Jerusalem.

Today, I am testifying on behalf of the American Society for Tropical Medicine and Hygiene, a professional society of basic and clinical researchers and practitioners in the field of tropical medicine. I would like to request that my written statement be inserted in the record.

Background

Within the Agency for International Development (A.I.D.), this Subcommittee has provided funding for a critical program -- the Malaria Vaccine Development Program.

The GAO recently released a report citing some past deficiencies in the management of the program which have now been corrected. The purpose of my testimony before you today is not to discuss these management issues, but rather to address the important scientific contributions which have been enabled by your support of this vital program.

The enormous morbidity and mortality caused by malaria, as well as its consequent devastating impact on productivity, is difficult to exaggerate. It is estimated that 280 million cases of malaria occur each year. More than 2.8 million die from malaria every year, with most of the deaths occur in children. In addition, because of the loss of immunity frequently associated with pregnancy, malaria is a common disease in pregnant women in endemic areas. These statistics have a dramatic impact on the work force, childhood survival and control of the disease in many developing countries.

While the vast majority of death and illness from malaria occurs in developing countries, it is a disease which is of major importance to the U.S. as a part of our assistance to enhance development and stability in these parts of the world. In addition, malaria is becoming an increasing threat to US citizens traveling abroad or stationed abroad, as the protective measures that we have depended upon over the past two decades have become less and less effective.

Malaria parasites worldwide have developed resistance to the drugs which were once very effective in preventing and curing malaria. At the present time, no single drug exists which is well tolerated and provides universal protection. As a result, we are beginning to see an increase in the number of cases of fatal malaria to our citizens stationed abroad.

Malaria Vaccine Development Program

We are at a crucial crossroad, where what has worked to manage this disease is no longer effective, and second generation drugs or a vaccine are not yet available.

However, it is also a time of great opportunity in malaria research. The advances in science over the past decade have enabled many approaches to the development of a vaccine that would not have been possible 10 or 15 years ago. It is imperative that these opportunities be pursued, as most scientists in this area believe that the development of practical malaria vaccines is an attainable objective -- hence, the importance of your continued support.

Research progress in this critical area has been nothing short of astounding. The revolution in biotechnology in the 80's enabled many research successes in the development of a malaria vaccine. It enabled the development of malaria antigens which could be produced in limitless quantity, and incorporate them into protective vaccines. This breakthrough in combination with the A.I.D. supported network of institutions, collaborative research initiatives and international meetings has set the stage for realizing the development of a vaccine.

A number of Federal agencies have played a role in the progress to date on malaria vaccine development, each addressing aspects which fulfill their own missions and mandates. However, the single Agency which stands out more than any other is A.I.D. Through you support of the scientific initiatives funded by A.I.D., their multifaceted research program has laid the foundation and made substantial progress in the conquest of this disease.

Seven private institutions and universities funded by A.I.D. are presently supporting research programs exploring approaches for the development of a vaccine. In addition, A.I.D. provides facilities for preclinical and clinical (human volunteer) testing of experimental vaccines and supports field investigations designed to obtain information vital to the vaccine development efforts.

Funding for the entire A.I.D. efforts in FY 91 will be $8.7 million; $8.5 million for the Malaria Vaccine Research and Development and $200,000 to support Malaria Field Trials of vaccine candidates. We urge this Subcommittee to continue its efforts in support of these worthwhile program. Further, we urge your consideration of increasing this funding base. In 1988, the Malaria Vaccine Research and Development Program was funded at a level of $11 million, and we request this Subcommittee to restore funding to this level, enabling A.I.D. to follow up on the many scientific opportunities which exist.

On the average, five children die every minute from malaria. It is vital for the health of this Nation and the world that an effective vaccine be found for the management of this dread disease. Your support and the efforts of the A.I.D. will help to realize this goal.

This concludes my formal statement, and I thank you for the opportunity to appear before you today. The American Society of Tropical Medicine and Hygiene looks forward to working with you in the future.

Mr. OBEY. Well, I thank you very much. I appreciate your testimony and your work.

Dr. KUVIN. Thank you.

Mr. OBEY. Thank you, again.

WEDNESDAY, APRIL 4, 1990.

HUMAN RIGHTS ISSUES IN CHINA

WITNESS

HON. NANCY PELOSI, A REPRESENTATIVE FROM THE STATE OF CALIFORNIA

Mr. OBEY. Next we will hear from Representative Pelosi.

Ms. PELOSI. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify before you today on this issue of importance to people who care about human rights—the situation in China.

At the outset let me commend you and the committee for your outstanding support for assistance to the poorest countries of the world and for your effort to deny World Bank financing to the Chinese Government after the brutal Tiananmen Square massacre.

After your committee stated that continued World Bank lending to China would jeopardize $155 million in United States contributions to IDA, the Bank decided not to consider Chinese loans between June 27, 1989, and January 1, 1990.

As you know, Mr. Chairman, the Bank has approved several loans to China since January 1, despite the deteriorating human rights situation in that country. These loans have all been classified by the Treasury as basic human needs loans and have been supported by the United States.

I have opposed all World Bank lending to China for two reasons: first, a resumption of World Bank lending sends a signal from the G–7 countries that they are willing to resume normal economic discourse with China. This signal carries tremendous weight within China. It undercuts the pro-democracy movement by indicating an unwillingness to castigate the Beijing Government internationally and removes obstacles to the further deepening of repression. There is ample evidence that such a deepening is occurring in China at this time.

In addition to the psychological advantage it gives to the Beijing regime, the resumption of World Bank lending provides funds for repressive government-sponsored campaigns. I don't have to tell you about the fungibility of money, Mr. Chairman.

By providing funds to important projects, whether they be for earthquake relief, agricultural development, or infrastructure, the Bank relieves the regime of its responsibility for funding them. In doing so, the bank frees funds for use in other government projects. For example, right now the recent Lei Feng campaign has become the most extensive and expensive Chinese propaganda campaign in a decade. While it purports to promote selfless dedication to one's country, the Lei Feng campaign actually promotes abject obedience to the regime.

World Bank president Barber Conable recently stated his intention to lend $1 billion to China by July 1990. Many of these intended loans will not be for basic human needs programs, but for infrastructure projects. Given evidence of continued widespread human rights abuses cited by the State Department, Asia Watch, Amnesty International, and others—and I emphasize the State Department—I believe that the United States support of such lending would be counter-productive and could violate human rights provisions of the U.S. Code.

It is essential that the United States avoid taking any action that could contribute to further repression in China. We must also hold multilateral organizations to which we belong accountable for their unwitting contributions to repression.

This subcommittee will soon discuss the United States contribution to the World Bank's International Development Association. As a member of the International Banking Subcommittee I support funding of IDA because of its contribution to the development of the lowest income people of the world. I believe, however, that the United States must stand firm in its opposition to brutal repression; therefore, I urge you to impose conditions on U.S. support of IDA which would provide a strong incentive to member countries of the World Bank to deny basic human rights loans to China until the current human rights situation there improves.

Thank you for your attention to this matter of high importance to the people of China and all those throughout the world who strive for freedom and democracy.

I would like to say also that, in our hearings in the International Banking Subcommittee, the Administration is sensitive to remarks that you have made, Mr. Chairman, about the World Bank funding of loans to China and the IDA appropriation, and they have said—contrary to what Barber Conable said, they have said that they do not intend to support any loans except basic human needs. So they have already—you have already weighed in on it, but I hope that we can keep that going.

[The prepared statement of Ms. Pelosi follows:]

STATEMENT OF THE HONORABLE NANCY PELOSI
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON FOREIGN OPERATIONS

April 4, 1990

MR. CHAIRMAN: I APPRECIATE THE OPPORTUNITY TO TESTIFY BEFORE YOU TODAY ON AN ISSUE THAT IS IMPORTANT TO ALL PEOPLE WHO CARE ABOUT HUMAN RIGHTS -- THE SITUATION IN CHINA. AT THE OUTSET, LET ME COMMEND YOU, MR. CHAIRMAN, BOTH FOR YOUR LONGSTANDING SUPPORT FOR ASSISTANCE TO THE POOREST COUNTRIES OF THE WORLD, AND ON YOUR EFFORT TO DENY WORLD BANK FINANCING TO THE CHINESE GOVERNMENT AFTER THE BRUTAL TIANANMEN SQUARE MASSACRE. AFTER YOUR SUBCOMMITTEE STATED THAT CONTINUED WORLD BANK LENDING TO CHINA WOULD JEOPARDIZE $155 MILLION IN UNITED STATES CONTRIBUTIONS TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA), THE BANK DECIDED NOT TO CONSIDER CHINESE LOANS BETWEEN JUNE 27, 1989 AND JANUARY 1, 1990.

AS YOU KNOW, THE WORLD BANK HAS APPROVED SEVERAL LOANS TO CHINA SINCE JANUARY 1, DESPITE THE DETERIORATING HUMAN RIGHTS SITUATION IN THAT COUNTRY. THESE LOANS HAVE ALL BEEN CLASSIFIED BY THE TREASURY AS "BASIC HUMAN NEEDS" LOANS AND HAVE BEEN SUPPORTED BY THE UNITED STATES.

I HAVE OPPOSED ALL WORLD BANK LENDING TO CHINA FOR TWO REASONS: FIRST, A RESUMPTION OF WORLD BANK LENDING SENDS A SIGNAL FROM THE G-7 COUNTRIES THAT THEY ARE WILLING TO RESUME NORMAL ECONOMIC DISCOURSE WITH CHINA. THIS SIGNAL CARRIES TREMENDOUS WEIGHT WITHIN THE COUNTRY. IT UNDERCUTS THE PRO-DEMOCRACY MOVEMENT BY INDICATING AN UNWILLINGNESS TO CASTIGATE THE BEIJING GOVERNMENT INTERNATIONALLY AND IT REMOVES OBSTACLES

TO THE FURTHER DEEPENING OF REPRESSION. THERE IS AMPLE EVIDENCE THAT SUCH A "DEEPENING" IS NOW OCCURRING IN CHINA.

IN ADDITION TO THE PSYCHOLOGICAL ADVANTAGE IT GIVES TO THE BEIJING REGIME, THE RESUMPTION OF WORLD BANK LENDING PROVIDES FUNDS FOR REPRESSIVE GOVERNMENT-SPONSORED CAMPAIGNS. BY PROVIDING FUNDS TO IMPORTANT PROJECTS, WHETHER THEY BE FOR EARTHQUAKE RELIEF, AGRICULTURAL DEVELOPMENT OR INFRASTRUCTURE, THE BANK RELIEVES THE REGIME OF ITS RESPONSIBILITY FOR FUNDING THEM. IN SO DOING, THE BANK FREES FUNDS FOR USE ON OTHER GOVERNMENT PROJECTS.

ONE OF THESE PROJECTS, THE RECENT "LEI FENG" CAMPAIGN, HAS BECOME THE MOST EXTENSIVE, AND EXPENSIVE, CHINESE PROPAGANDA CAMPAIGN IN A DECADE. WHILE IT PURPORTS TO PROMOTE SELFLESS DEDICATION TO ONE'S COUNTRY, THE "LEI FENG" CAMPAIGN ACTUALLY PROMOTES QUIESCENT OBEDIENCE TO THE REGIME.

WORLD BANK PRESIDENT BARBER CONABLE RECENTLY STATED HIS INTENTION TO LEND $1 BILLION TO CHINA BY JULY, 1990. MANY OF THESE INTENDED LOANS WILL NOT BE FOR "BASIC HUMAN NEEDS" PROGRAMS, BUT FOR INFRASTRUCTURE PROJECTS. GIVEN EVIDENCE OF CONTINUED WIDESPREAD HUMAN RIGHTS ABUSES CITED BY THE STATE DEPARTMENT, ASIA WATCH, AMNESTY INTERNATIONAL AND OTHERS, I BELIEVE THAT UNITED STATES SUPPORT OF SUCH LENDING WOULD BE COUNTER-PRODUCTIVE AND COULD VIOLATE HUMAN RIGHTS PROVISIONS OF THE U.S. CODE (Section 262d(f)).

IT IS ESSENTIAL THAT THE UNITED STATES AVOID TAKING ANY ACTION THAT COULD CONTRIBUTE TO FURTHER REPRESSION IN CHINA. WE MUST ALSO HOLD MULTILATERAL ORGANIZATIONS TO WHICH WE BELONG

ACCOUNTABLE FOR THEIR UNWITTING CONTRIBUTIONS TO REPRESSION.

THIS SUBCOMMITTEE WILL SOON DISCUSS THE UNITED STATES CONTRIBUTION TO THE WORLD BANK'S INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA). AS A MEMBER OF THE INTERNATIONAL BANKING SUBCOMMITTEE, I SUPPORT FUNDING OF IDA BECAUSE OF ITS CONTRIBUTION TO THE DEVELOPMENT OF THE LOWEST INCOME PEOPLE OF THE WORLD. I BELIEVE, HOWEVER, THAT THE UNITED STATES MUST STAND FIRM IN ITS OPPOSITION TO BRUTAL REPRESSION. THEREFORE, I URGE YOU TO IMPOSE CONDITIONS ON U.S. SUPPORT OF IDA WHICH WOULD PROVIDE A STRONG INCENTIVE TO MEMBER COUNTRIES OF THE WORLD BANK TO DENY NON-BASIC HUMAN NEEDS LOANS TO CHINA UNTIL THE CURRENT HUMAN RIGHTS SITUATION THERE IMPROVES.

THANK YOU FOR YOUR ATTENTION TO THIS MATTER WHICH IS OF GREAT IMPORTANCE TO THE PEOPLE OF CHINA WHO STRIVE FOR FREEDOM AND DEMOCRACY UNDER EXTREMELY ADVERSE CONDITIONS.

Mr. **Obey**. I would simply respond by saying that I agree there should not be further lending to China at this time. With respect to conditionality, you understand that we can condition if we want, but it effectively prevents any contribution because the banks do not accept conditioned money. So, in my view, I do not think it is constructive to, in fact, kill a contribution to IDA.

Ms. **Pelosi**. I agree with you. That cannot be the net result.

Mr. **Obey**. If we want to be effective, in my judgment, we simply have to insist that the Administration not support any additional lending, because if they do not support that lending it will not go forward.

Ms. **Pelosi**. Well, they have stated that they will not support it. As I said, to us that appears a direct result of your statement. So I think the moral suasion of this committee is very important and not to be underestimated in this discussion as we go forward.

We will be having hearings in the International Banking Committee on loans to China, but you have the power of the purse here, so what you say, of course, is very important in this debate.

Thank you, Mr. Chairman.

Mr. **Obey**. Thank you very much.

Ms. **Pelosi**. Thank you very much.

Wednesday, April 4, 1990.

GEORGETOWN UNIVERSITY

WITNESS

REV. HAROLD BRADLEY, S.J.

Mr. **Obey**. Next we will hear from the National Democratic Policy Committee, William C. Jones.

[No response.]

Mr. **Obey**. Georgetown University, Father Harold Bradley, will then be next.

Good morning.

Father **Bradley**. Good morning, Mr. Chairman. I appreciate the opportunity to testify before your subcommittee and thank you for your support of the programs which we run with community colleges around the United States.

I'd like to submit my statement for the record. If you have any questions I would be happy to answer them.

[The prepared statement of Fr. Bradley follows:]

Statement of

Reverend Harold Bradley, S.J.

Assistant to the President of Georgetown University

Subcommittee on Foreign Operations
Committee on Appropriations
U.S. House of Representatives
April 4, 1990

Subcommittee on Foreign Operations
Committee on Appropriations
U.S. House of Representatives

April 4, 1990

Dear Mr. Chairman and Members of the Subcommittee:

I am Father Harold Bradley, S.J., Special Assistant to the President of Georgetown University. I appreciate the opportunity to testify before this Subcommittee. Let me begin by thanking the Subcommittee for your support of the Central American Scholarship Program (CASP) and the new cost-sharing program, the Cooperative Association of States for Scholarships (CASS).

Under a cooperative agreement with the Agency for International Development (AID), Georgetown University administers these two programs. The University's mission in fulfilling the will of Congress is to provide peace scholarships that serve capable, yet economically disadvantaged students. From Central America and now the Caribbean, these peace scholars attend U.S. community-based institutions for academic education and technical training.

CASP/CASS has been designed to contribute to the formation of more effective manpower resources and foster the leadership and technical skills required to meet social, economic and democratic needs in Central America and the Caribbean. CASP/CASS works closely with in-country experts and advisory board members to determine which fields of study can best contribute to the economies of participating countries.

United States community-based educational institutions then develop or adapt programs to provide students with the technical skills and experience that are in demand in the region. Currently students are engaged in one of the following fields of study: clothing merchandising, computer science, electronics/computer repair, food technology, hotel and restaurant management, quality control, and small business management. Needs analysis and follow-up studies on alumni are conducted periodically to modify course offerings based on current and projected economic realities in the region. Consequently, in view of CASS' expanding presence in the Caribbean, the following fields of study will be offered in August of 1990: air-conditioning and refrigeration servicing, medical equipment and small appliance repair, and machine tool technology.

In each country in which scholarships are offered, a local CASP/CASS coordinator works to identify deserving students.

Selection committees made up of home-country representatives of business, industry, education and other private and public interests, look for young people who demonstrate the strongest leadership potential. Eighty percent of the scholars are from rural areas, nearly fifty percent are women and all are economically and socially disadvantaged and rank above average academically. In a highly competitive selection process, an average of one in ten applicants is chosen to participate in CASP/CASS.

Before the selected students depart for the United States, they prepare to meet the challenges of CASP/CASS during an intensive pre-departure orientation process. During this period, CASP/CASS overseas staff encourage student attitudes of responsibility and initiative and help students clarify individual and program goals. Students also have the opportunity to visit local industries where their training could be applied and make potential job contacts before even leaving the country. All students make a formal commitment to return home and apply their technical/vocational training to benefit their family, community and country, when their U.S. study is completed. The quality of CASP/CASS students is of the highest priority and the success of the recruitment and selection process is borne out by the fact that over tne last five years all but 3.7% of CASP students have completed the program.

"Experience America" is an essential phase of the program. Its three major components -- academic training, experiential opportunities, and personal and professional development -- reinforce self-reliance, self-responsibility, and commitment. Living with American families and studying in community-based institutions, these peace scholars develop an understanding of U.S. culture and values, and our democratic processes. These students in turn have a positive impact on their host communities, heightening cultural awareness, geographical knowledge, and political and personal insights about the Americas. The result is the formation of lasting social, economic and cultural links between the United States and future leaders of Central America and the Caribbean.

Today 382 CASP students are studying at 16 institutions in 10 states. (A list of the CASP institutions is attached.) This includes a group of seventeen hearing-impaired scholars who arrived in March of 1989 for a two-year program to study computer literacy at Mount Aloysius Junior College in Cresson, Pennsylvania.

Today 640 CASP students have completed associate degree and technical programs. All have returned to their home countries, many having graduated with honors. Approximately eighty percent are employed or continuing with their education. Finding jobs in their home countries is not automatic because most opportunities are still reserved for the privileged.

To maintain and improve employment opportunities for current and future alumni scholars, we have developed a support staff. In addition to recruiting and selecting new students, this staff is dedicated to cultivating Georgetown University alumni in the region. Many such alumni are major employers and reside in participating countries throughout Central America and the Caribbean, offering important resources for peace graduates. Perhaps the most effective network arises from the growing number of CASP/CASS alumni themselves. They have organized CASP/CASS associations in each country, providing support and assistance in collaboration with Georgetown alumni to expand employment opportunities.

CASP participating countries include Belize, Costa Rica, El Salvador, Guatemala, and Honduras. CASS includes students from these countries as well as from : Jamaica, Haiti, Grenada, St. Vincent/the Grenadines, Antigua/Barbuda, St. Kitts/Nevis, St. Lucia, Dominica, and the Dominican Republic.

Unlike CASP, which has been fully funded through AID, CASS is a program in which federal funds will be matched by state and private sector contributions, eventually enabling nearly twice as many students to be educated for the same federal expenditures. There are currently 553 CASS students enrolled at thirty-three institutions in seventeen states. These states are: California, Florida, Illinois, Kansas, Maine, Massachusetts, Minnesota, Missouri, New York, New Jersey, Ohio, Oklahoma, Oregon, South Carolina, Texas, Washington, and Wisconsin. (A list of the institutions is attached.) The CASS peace scholars are studying clothing merchandising, electronics and computer repair, food technology, hotel and restaurant management, small business management, and quality control. Efforts have been launched in conjunction with the participating institutions to generate state and private sector support.

East Central European Scholarship Program

A Cooperative Agreement is to be signed with AID for a scholarship program that will bring 60 disadvantaged individuals from rural areas of Poland and Hungary to study in U.S. community-based institutions. In recognition of the need to create a responsible and economically active rural leadership, the focus of this training will be modernization and privatization of agriculture.

Specifically, this program will educate 45 Poles and 15 Hungarians who have demonstrated commitment to their communities, leadership qualities, a sense of social responsibility, and entrepreneurial initiative. In the United States they will receive two years of education and practical training at community-based institutions in how to: organize, manage and develop market-oriented cooperatives; establish appropriately scaled and financially viable agribusinesses; create and run local private support banks; read and speak English fluently; and implement a democratic system of government in rural communities.

CAPS - Panama

Georgetown University is also coordinating the training of students from Panama who are studying for undergraduate degrees in the United States under the Central America Peace Scholarship Program. Of the 235 students who began this four year program since the fall of 1986, 190 are in various stages of study at community colleges and universities throughout the United States. Eighty educational institutions in thirty states are participating. Further ten journalists and fifteen English teachers completed short term training and have returned to Panama. The first graduate of the long term training program received his four year degree in May 1989, with honors, from Widener University in Chester, Pennsylvania.

Sixty additional CAPS/ Panama students have completed their English language training and orientation at the Panama Canal College. They will be departing Panama for their U.S. training under special funding now being made available to Panama.

Hemispheric Migration Project

In fiscal year 1990 the Hemispheric Migration Project (HMP) has pursued a modest program to inform United States policymakers of the direct implications of HMP sponsored refugee research in Central America. Funded by the Department of State Bureau for Refugee Programs out of appropriations made in prior fiscal years, the HMP's timely research on repatriation and reintegration of Central American refugees has brought us closer to understanding when and why refugees choose to go home. The HMP has also commissioned policy papers assessing long-term refugee assistance strategy and the role of nongovernmental agencies in that assistance. Among other topics in the next year, the HMP will pursue its work on the undocumented populations in the region, making recommendations about their potential migration northward and prospects for legalization in the host countries.

In the name of our President, the Reverend Leo J. O'Donovan, S.J., I thank you for your support of our programs.

Central American Scholarship Program (CASP) Institutions

Altoona Area Vocational Technical School
Altoona Pennsylvania

Berkshire Community College
Pittsfield, Massachusetts

Coffeyville Community College
Coffeyville, Kansas

College of Santa Fe
Santa Fe, New Mexico

King's River Community College
Reedley, California

Kirkwood Community College
Cedar Rapids, Iowa

Modesto Junior College
Modesto, California

Mount Aloysius Junior College
Cresson, Pennsylvania

Northcentral Technical College
Wausau, Wisconsin

Scott Community College
Bettendorf, Iowa

St. Petersburg Junior College
Clearwater, Florida

Tri-County Area Vocational Technical School
Bartlesville, Oklahoma

University of Wisconsin Center - Marinette
Marinette, Wisconsin

University of Wisconsin Center - Richland
Richland Center, Wisconsin

Waukesha County Technical College
Pewaukee, Wisconsin

West Hills College
Coalinga, California

Cooperative Association of States for Scholarships (CASS) Institutions

Bartlesville WesleyanCollege
Barltesville, Oklahoma

Bergen Community College
Paramus, New Jersey

Broome Community College
Binghamton, New York

Central Florida Community College
Ocala, Florida

Columbia College
Columbia, California

Edmonds Community College
Lynnwood, Washington

El Paso Community College
El Paso, Texas

Everett Community College
Everett, Washington

Florida A&M University
Tallahassee, Florida

Florida Community College at Jacksonville
Jacksonville, Florida

Fort Scott Community College
Fort Scott, Kansas

Fox Valley Technical College
Appleton, Wisconsin

Hesston College
Hesston, Kansas

Hocking Technical College
Nelsonville, Ohio

Illinois Eastern Community College
Olney, Illinois

Independence Community College
Independence, Kansas

Modesto Junior College
Modesto, California

Mount Hood Community College
Gresham, Oregon

Penn Valley Community College
Kansas City, Missouri

Rochester Community College
Rochester, Minnesota

St. Louis Community Col. - Florrisant Valley
St. Louis, Missouri

St. Louis Community College - Forest Park
St. Louis, Missouri

University College - Bangor
Bangor, Maine

University of Central Florida
Orlando, Florida

University of Maine - Orono
Orono, Maine

University of North Florida
Jacksonville, Florida

Univ. of South Carolina-Salkehatchie Campus
Allendale, South Carolina

Univ. of South Carolina-Sumter Campus
Sumter, South Caorlina

University of Southern Maine
Portland, Maine

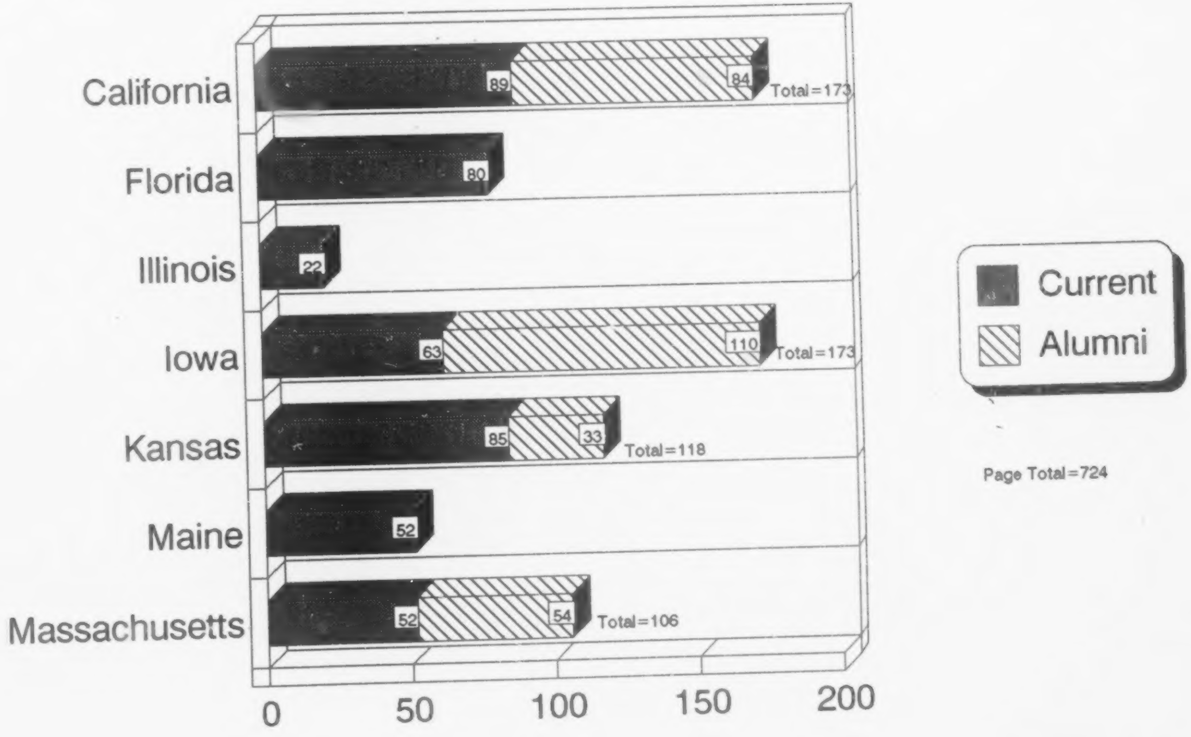
University of West Florida
Pensacola, Florida

University of Wisconsin Ctr. Barron County
Rice Lake, Wisconsin

University of Wisconsin - Madison
Madison, Wisconsin

Waukesha County Technical College
Pewaukee, Wisconsin

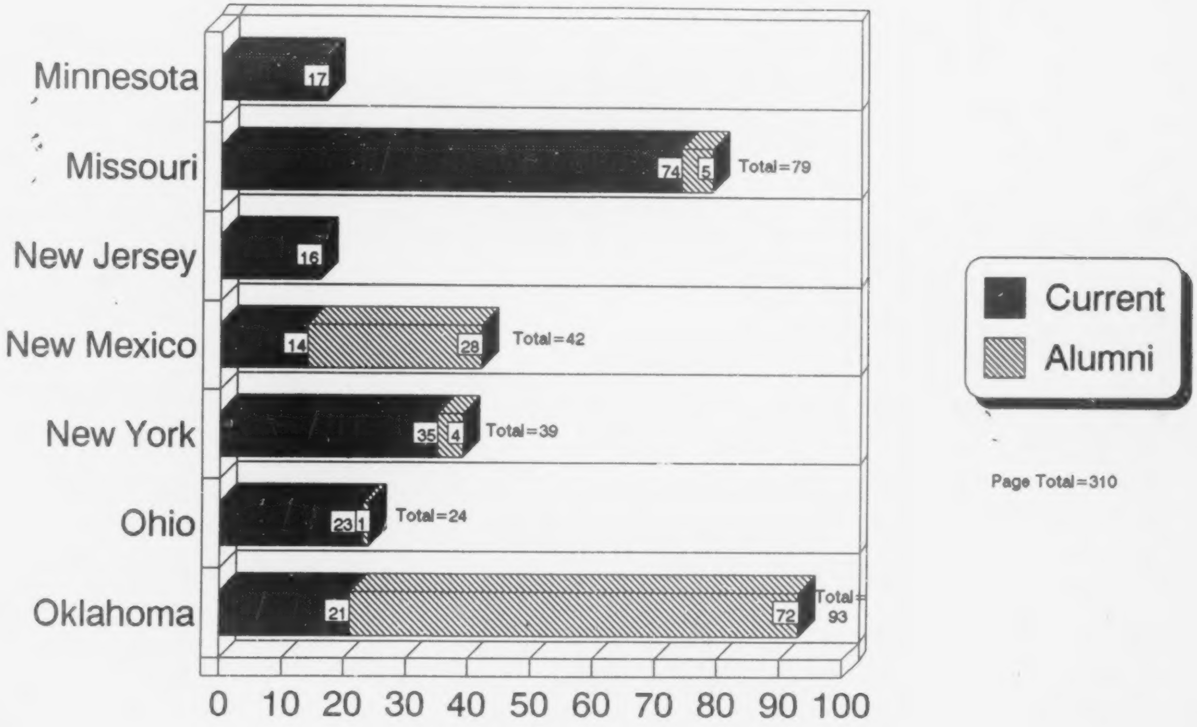
Distribution of CASP/CASS Scholarships
By State



Page Total=724

as of 3/01/90

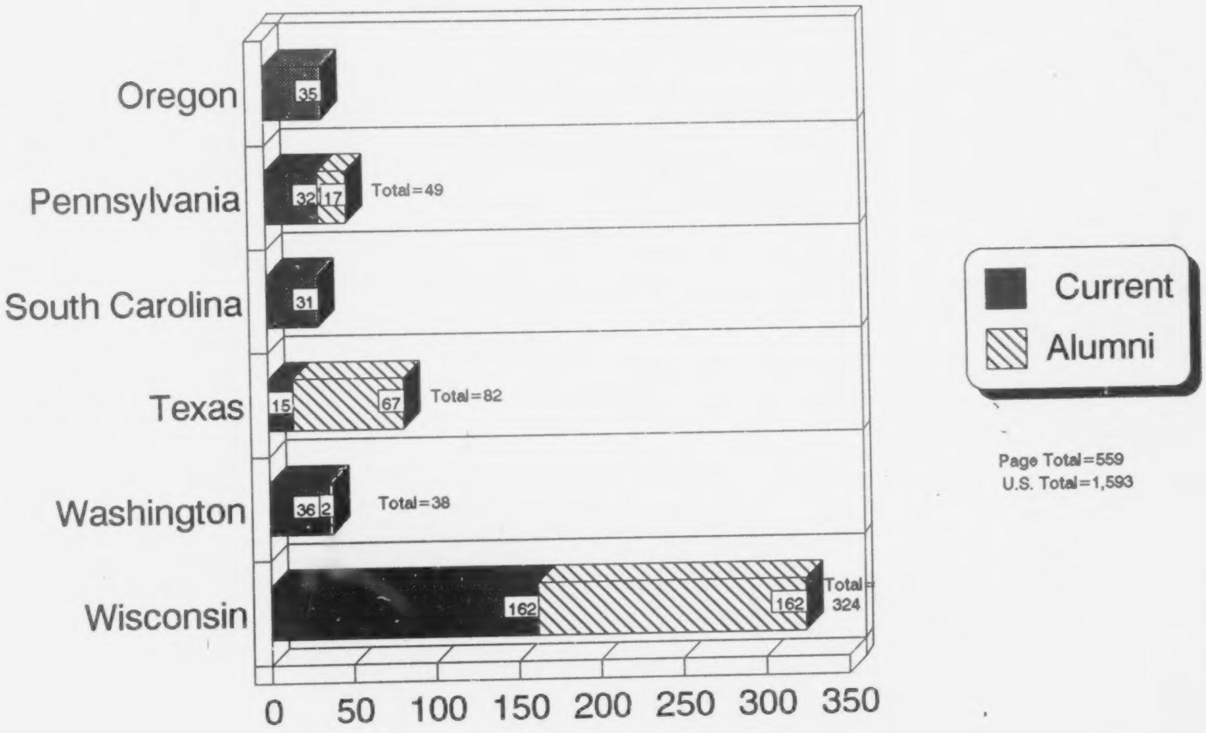
Distribution of CASP/CASS Scholarships
By State



Page Total=310

as of 3/01/90

Distribution of CASP/CASS Scholarships
By State



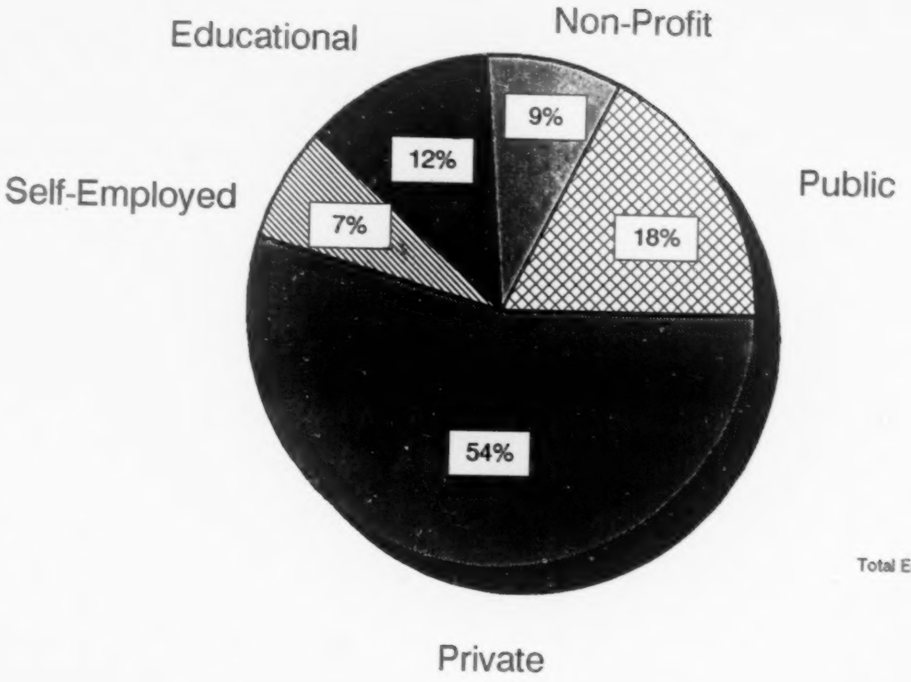
Page Total=559
U.S. Total=1,593

as of 3/01/90

Page 3 of 3

Employed Alumni

Type of Employer



Total Employed Alumni = 370

as of 8/89

Central American Scholarship Program (CASP) Institutions

Altoona Area Vocational Technical School
Altoona Pennsylvania

Berkshire Community College
Pittsfield, Massachusetts

Coffeyville Community College
Coffeyville, Kansas

College of Santa Fe
Santa Fe, New Mexico

King's River Community College
Reedley, California

Kirkwood Community College
Cedar Rapids, Iowa

Modesto Junior College
Modesto, California

Mount Aloysius Junior College
Cresson, Pennsylvania

Northcentral Technical College
Wausau, Wisconsin

Scott Community College
Bettendorf, Iowa

St. Petersburg Junior College
Clearwater, Florida

Tri-County Area Vocational Technical School
Bartlesville, Oklahoma

University of Wisconsin Center - Marinette
Marinette, Wisconsin

University of Wisconsin Center - Richland
Richland Center, Wisconsin

Waukesha County Technical College
Pewaukee, Wisconsin

West Hills College
Coalinga, California

Cooperative Association of States for Scholarships (CASS) Institutions

Bartlesville WesleyanCollege
Barltesville, Oklahoma

Bergen Community College
Paramus, New Jersey

Broome Community College
Binghamton, New York

Central Florida Community College
Ocala, Florida

Columbia College
Columbia, California

Edmonds Community College
Lynnwood, Washington

El Paso Community College
El Paso, Texas

Everett Community College
Everett, Washington

Florida A&M University
Tallahassee, Florida

Florida Community College at Jacksonville
Jacksonville, Florida

Fort Scott Community College
Fort Scott, Kansas

Fox Valley Technical College
Appleton, Wisconsin

Hesston College
Hesston, Kansas

Hocking Technical College
Nelsonville, Ohio

Illinois Eastern Community College
Olney, Illinois

Independence Community College
Independence, Kansas

Modesto Junior College
Modesto, California

Mount Hood Community College
Gresham, Oregon

Penn Valley Community College
Kansas City, Missouri

Rochester Community College
Rochester, Minnesota

St. Louis Community Col. - Florrisant Valley
St. Louis, Missouri

St. Louis Community College - Forest Park
St. Louis, Missouri

University College - Bangor
Bangor, Maine

University of Central Florida
Orlando, Florida

University of Maine - Orono
Orono, Maine

University of North Florida
Jacksonville, Florida

Univ. of South Carolina-Salkehatchie Campus
Allendale, South Carolina

Univ. of South Carolina-Sumter Campus
Sumter, South Caorlina

University of Southern Maine
Portland, Maine

University of West Florida
Pensacola, Florida

University of Wisconsin Ctr. Barron County
Rice Lake, Wisconsin

University of Wisconsin - Madison
Madison, Wisconsin

Waukesha County Technical College
Pewaukee, Wisconsin

Mr. OBEY. I always have questions, but I don't have the time for them.

Father BRADLEY. Yes, sir. Thank you.

Mr. OBEY. Thanks, again.

WEDNESDAY, APRIL 4, 1990.

THE AMERICAN LEGION

WITNESS

STEVE ROBERTSON, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE COMMISSION

HARRY SULLIVAN, DEPUTY DIRECTOR, NATIONAL SECURITY AND FOREIGN RELATIONS COMMISSIONS

Mr. OBEY. Next we will hear from the American Legion, Steve Robertson.

Mr. ROBERTSON. Good morning, Mr. Chairman.

Harry Sullivan from our National Foreign Relations Commission will present a summary of our testimony.

Mr. OBEY. Okay.

Mr. SULLIVAN. Mr. Chairman, the American Legion welcomes this opportunity to express its support for an effective U.S. foreign aid program. In view of the wide-ranging political, economic, and military changes sweeping through the world, we believe foreign aid will assume even greater importance as a tool of U.S. foreign policy.

In Eastern Europe the West now has an opportunity to help bring democracy. We have been seeking this goal for four decades. Now that the wall is down, the Western nations must react swiftly and magnanimously.

We strongly endorse the Support for East European Democracy Act of 1989 as a prudent bipartisan program to help provide necessary public and private assistance to Eastern European countries as they set out on the process of institutionalizing democracy and adopting elements of a market economy. Relatively modest aid at this time could bear great dividends in the future.

We should work closely with NATO and other allies to provide the aid and technical assistance needed to get Eastern Europe moving.

We have strongly supported the $800 million supplemental for Panama and Nicaragua to meet immediate needs as these nations seek democracy; however, we believe that is only a first step and long-range programs must be established to help them overcome the many obstacles they will confront.

As Panama moves toward assuming full control of the Panama Canal by the end of this century, we must do everything possible to help democracy flourish. Only under a democratic regime is it likely that Panama will be able to operate the canal efficiently while cooperating with the United States and other users.

Now that a free and fair election has been conducted in Nicaragua, we hope to see a bipartisan policy emerge to provide long-term assistance for consolidating democracy and revitalizing the economy. At the same time, we must provide adequate humanitarian aid, through some mechanism, to the Nicaraguan Resistance for resettlement and medical care.

Contra military pressure played a major role in causing the Sandinistas to conduct a fair election; therefore, we have a moral obligation to assist the contras to reenter Nicaraguan society and to relieve the suffering of those who sacrificed for the cause of freedom.

While assisting the new movements in Eastern Europe, Panama, and Nicaragua, we must not overlook our continuing responsibilities elsewhere in Central America.

Following the 1984 recommendations of the National Bipartisan Commission on Central America, the U.S. Government made a long-term commitment to help democracy take root in the region. Although there have been some setbacks, significant progress has been achieved. We should stay the course in Central America.

If the United States is to retain its position as a world power, an adequate foreign aid program is indispensable. Since foreign aid represents less than 2 percent of the Federal budget, we do not believe budgetary restraint should prevail over policy necessities. The American Legion urges Congress and the Administration to join in a bipartisan effort to enact a logical, efficient foreign aid program to help achieve U.S. foreign policy goals.

Mr. Chairman, that concludes our statement. Thank you very much.

[The prepared statement of Mr. Robertson and Mr. Sullivan follows:]

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

STEVE A. ROBERTSON, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

HARRY SULLIVAN, DEPUTY DIRECTOR
NATIONAL SECURITY & FOREIGN RELATIONS COMMISSIONS
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT
FINANCING AND RELATED PROGRAMS
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

on

FY 1991 FOREIGN AID APPROPRIATIONS

APRIL 4, 1990

Mr. Chairman and members of the Subcommittee:

The American Legion welcomes this opportunity to express its support for an effective U.S. foreign aid program. In view of the wide-ranging political, economic, and military changes sweeping through the world, we believe foreign aid will assume even greater importance as a tool of U.S. foreign policy.

In Eastern Europe the West now has an opportunity to help bring democracy. We have been seeking this goal for four decades; now that the wall is down, the Western nations must react swiftly and magnanimously. We strongly endorse the Support for East European Democracy Act of 1989 as a prudent bipartisan program to help provide necessary public and private assistance to Eastern European countries as they set out on the process of institutionalizing democracy and adopting elements of a market economy. Relatively modest aid at this time can bear great dividends in the future. We should work closely with NATO and other allies to provide the aid and technical assistance needed to get Eastern Europe moving.

We have strongly supported the $800 million supplemental for Panama and Nicaragua to meet immediate needs as these nations seek democracy; however, we believe that is only a first step and long-term programs must be established to help overcome the many obstacles they will confront.

As Panama moves toward assuming full control of the Panama Canal by the end of this century we must do everything possible to help democracy flourish. Only under a democratic regime is it likely that Panama will be able to operate the canal efficiently, while cooperating with the United States and other users.

Now that a free and fair election has been conducted in Nicaragua, we hope to see a bipartisan policy emerge to provide long-term assistance for consolidating democracy and revitalizing the economy. At the same time, we must provide adequate humanitarian aid, through some mechanism, to the Nicaraguan Resistance for resettlement and medical care. Contra military pressure played a major role in causing the Sandinistas to conduct a fair election; therefore, we have a moral obligation to assist the contras to re-enter Nicaraguan society and to relieve the suffering of those who sacrificed for the cause of freedom.

While assisting the new movements in Eastern Europe, Panama, and Nicaragua, we must not overlook our continuing responsibilities elsewhere in Central America. Following the 1984 recommendations of the National Bipartisan Commission on Central

America, the U.S. Government made a long-term commitment to help democracy take root in the region. Although there have been some setbacks, significant progress has been achieved. We should "stay the course" in Central America.

If the United States is to retain its position as a world power, an adequate foreign aid program is indispensable. Since foreign aid represents less than two percent of the federal budget, we do not believe budgetary restraint should prevail over policy necessities. The American Legion urges Congress and the Administration to join in a bipartisan effort to enact a logical, efficient foreign aid program to help achieve U.S. foreign policy goals.

Mr. Chairman, that concludes our statement.

Mr. Chairman and members of the subcommittee, The American Legion welcomes this opportunity to present its views in support of full funding for foreign aid. Our more than three million members believe that foreign aid is a necessary and effective tool of U.S. foreign policy. When administered with foresight, honesty, and prudence, foreign aid helps to encourage democracy, increase economic development, stabilize economies under stress, relieve human suffering, and bolster self-defense capabilities of our friends and allies. A frequent by-product of foreign aid is adoption of some tenets of a market economy as recipient nations become aware of the increased productivity brought about by fostering private initiative through free enterprise and competition.

We urge full funding of the foreign aid request for FY 91 as requested by the Administration:

Multilateral Assistance	$ 1,961,269,000
Bilateral Assistance	6,609,628,000
Military Assistance	5,474,872,000
Food Assistance	897,853,000
	$ 14,943,622,000

We believe the foregoing request represents the absolute minimum funding required if U.S. national interests are to be protected.

Some Americans view foreign aid only as a "give away" that unnecessarily drains resources which could be put to better use here at home to relieve unemployment, increase welfare, or aid community development. Actually, foreign aid has a positive "pay back" to our country. First and foremost is the fact that foreign aid helps protect our national security by giving our friends and allies the military equipment, supplies, and training to provide for their own security. This in essence provides a first line of defense for the U.S. outside our borders. It economizes on the use of U.S. armed forces and helps other countries fight their own battles rather than relying on the youth of America to defend them. Economic assistance fosters economic development in the Third World and brings hope to aspiring peoples. By increasing prosperity in needy lands, foreign aid creates new markets for sale of U.S. exports. The export sector is becoming increasingly important as the Free World international market becomes more integrated and competitive. Overall, about 70 percent of U.S. bilateral foreign aid is spent on purchases of American goods and services. Similarly, about 50 percent of our multilateral aid returns to our shores. Third World countries purchase about-one-half of American exports of grains and cereals. In the overall agricultural sector, about 40 percent of total U.S. exports are sold to the developing countries.

Since World War II, U.S. foreign aid has helped many countries modernize their economies and become productive participants in the Free World international economy. Prime examples are Mexico, Brazil, Taiwan, and the Republic of Korea. As these nations have increased their productivity, they have helped to raise the overall standard of living in the Free World.

Compared to other types of spending, the U.S. foreign aid program is relatively modest and accounts for about one cent of each budget dollar spent. On a per capita basis, the U.S. ranked 13th in the list of development aid donors in 1987, giving $40 per capita annually while the leader (Norway) gave $191. American development aid has declined by about 40 percent since 1962. Then, it accounted for 59 percent of total worldwide development aid; by 1987 it had dropped to 22 percent of the total.

In some recent years, Congressional budget cuts and Gramm-Rudman-Hollings reductions have significantly trimmed Administration requests for foreign aid. Since Congress also earmarks aid for certain countries like Israel and Egypt, cuts imposed in aid programs for some other countries have been very large. Reductions in foreign aid seriously interfere with the effective conduct of U.S. foreign policy. The savings achieved by such cuts are marginal when measured against the overall U.S. budget, yet they have a profound and lasting impact by further reducing U.S. reliability as an ally.

Of particular concern have been the recent significant reductions in U.S. foreign aid to key allies or countries which provide base rights to the U.S. armed forces. Such bases are a vital part of U.S. forward defense in conjunction with the North Atlantic Treaty Organization and our other allies. Although U.S. foreign aid to the base rights countries is not considered as "rent" for the bases, the Executive Branch has pledged to make a "best effort" to persuade Congress to appropriate specified levels of foreign aid over a specified time span.

Considering four principal countries in this category (Greece, Pakistan, Portugal, and Turkey), U.S. "best effort" pledges are generally recognized to total about $2.2 billion annually. In FY 88, the Administration's request was 4 percent below that amount, and appropriations fell 30 percent below the request. In FY 89, the budget request was 21 percent below the pledged amount, and appropriations were 8 percent below the request. The FY 90 foreign aid request fell 19 percent below the target amount and appropriations were 12 percent below the request. The FY 91 request falls 24 percent below the pledged level. In order to retain reliability as leader of the Free World, the U.S. must honor its pledges--particularly to our key allies. In this regard, before future "best effort" pledges are made, the Administration should consult closely with the Congressional leadership and develop a bipartisan position that can be honored over a number of years.

It is also very important to maintain progress toward democracy in Central America by providing adequate foreign aid. U.S. diplomacy and foreign aid have been instrumental in helping democracy take root in Central America during the last few years. Since 1984, the U.S. has made a long-term commitment to assist democracy in Central America through the Jackson Plan, which resulted from the deliberations of the National Bipartisan Commission on Central America. To date, overall aid to the region has consistently fallen somewhat below projected Jackson Plan funding. Over the past four years, foreign aid for Costa Rica, El Salvador, Guatemala, and Honduras has been approximately 15-30 percent under levels envisioned in the Jackson Plan.

U.S. AID TO CENTRAL AMERICA
($ Millions)

	FY 90 Country Programs	FY 91 Request
Costa Rica	91	65
El Salvador	315	375
Guatemala	116	125
Honduras	133	174
Total	655	739

The FY 90 country programs for Central America were 22 percent less than the requested amounts. The FY 91 request falls 12 percent below the FY 90 request. Any further reductions would seriously disrupt the entire program.

Freedom-loving Central Americans have made remarkable progress in recent years toward establishing more responsive, democratic governments. The U.S. must continue providing reasonable levels of assistance to help our Central American friends improve their economies as the indispensable base for consolidation of democracy and maintenance of security.

We are very pleased to see a generally upward trend in aid to the Philippines. It increased 84 percent from FY 88 to FY 89. A further jump of 35 percent was requested for FY 90; however, the FY 90 country program was 17 percent below the request. The FY 91 request of $650 million should be adequate if fully approved. The U.S. Government should continue to emphasize the recently launched Multilateral Assistance Initiative. Other donors will join with the U.S. in this initiative, including Japan, the

World Bank, and the International Monetary Fund. This broadly based effort is an excellent example of improved burden sharing by our allies and international institutions. The initiative should play a major role in helping the Philippines consolidate democracy, institute needed economic reforms, improve infrastructure, encourage growth of the private sector, and attract foreign investment.

Although the foreign aid program has generally served U.S. national interests fairly well for several decades, like any large undertaking it can benefit from a thorough review and updating. We believe the several studies of the foreign aid program recently completed by governmental and private bodies serve a very constructive purpose. While all of the studies do not agree on the problem or the prescription, they do offer a starting point for development of a bipartisan consensus. Certain ideas merit action: writing a new foreign aid law; clearly defining foreign aid objectives; streamlining U.S. Government organization for foreign aid; focusing foreign aid on encouragement of democracy and private enterprise; using foreign aid leverage to induce recipients to follow sound economic policies; implementing measures to eliminate corruption and waste; and seeing that foreign aid goes to friendly nations, not to those who oppose U.S. principles and policies.

In its 1983 report to the President, the bipartisan Carlucci Commission (Commission on Security and Economic Assistance), which involved significant Congressional participation, concluded: "On balance....U.S. assistance programs make an indispensable contribution to achieving foreign policy objectives." The American Legion warmly embraces that position and encourages Congress and the Administration to join in a bipartisan effort to achieve U.S. foreign policy goals through a strong and well-administered foreign aid program.

Mr. Chairman, that concludes our statement.

Mr. OBEY. Thank you. We appreciate your time.

WEDNESDAY, APRIL 4, 1990.

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

WITNESS

DR. J. LAWRENCE APPLE, CHAIRMAN, INTERNATIONAL COMMITTEE ON ORGANIZATION AND POLICY

Mr. OBEY. Next we will hear from Doctor J. Lawrence Apple, National Association of State Universities and Land-Grant Colleges.

Mr. APPLE. Thank you, Mr. Chairman. It is a pleasure to have the opportunity to make a statement to this committee.

I am a professor at North Carolina State University. I am also the Director of International Programs there, but I am testifying as Chairman of the International Committee on Organization & Policy of NASOLGC. I think you recognize that NASOLGC has a Wisconsin dimension. You also realize that the state universities and land-grant colleges have traditionally, since 1950, played a significant role in partnership with the U.S. Government in development assistance and other types of programs abroad. We have gained a great deal from that. I think this nation has gained, the recipient countries have gained, and our universities have gained, as well. We certainly hope to see those kinds of programs continued.

We followed with great interest the work of the Foreign Relations Committee last year and the reauthorization bill. We know that the companion bill has not cleared the Senate, but we certainly hope that the Government can move along with that piece of business.

We also recognize that the last few months have brought great changes in the world and poses new opportunities but great challenges for the United States with the democratization movements.

We applaud the efforts of the U.S. Government to seek to address those opportunities, but we are concerned that the budget of the USAID may suffer—at least some of the traditional programs of AID may suffer as a result of these new priorities.

We must take note of the fact that many of the traditional areas that we have supported in Central and South America and in Africa and Asia are still in very dire need. Personally, I have been involved in educational programs abroad for 25 years, and some of the institutions that I know very well in developing countries are suffering immensely at the moment from lack of support from a brain drain that is truly awesome.

We talked a great deal about that in the 1970s—the loss of trained talent from the Third World to the First World. We have not made very many comments about that in recent years, but it is a very serious deterrent to the development of the Third World.

We are also concerned as an association about the drift away from agricultural sector development in many of these primarily agrarian societies. I think we have shown rather conclusively that economic development within the agricultural sector can be a very important engine of growth for a national economy, and we do not agree with the USAID at the moment in drifting away from institutional development, developing those institutions in the agricultural sector that are primarily responsible for generating and disseminating a technology basic to the modernization of the food production and fiber production systems of those countries.

So unless that is addressed and those kinds of programs are sustained, those countries are not going to generate and be able to maintain the capabilities to be able to feed themselves that we all desire.

We are concerned about the continuing deterioration in AID in allocations of funds to the agriculture, rural development, and nutrition account. It seems that that account has been one of the accounts that is often raided when there are other earmarked priorities proposed by the Congress and we have, as an association, steered away from seeking earmarks in support of those initiatives, in concert with Congress and other recommendations. But I think over the years that account has suffered unduly and many of the programs that universities are involved with in supporting abroad have been reduced in funding levels to a very sub- minimal level.

So we would recommend that the committee take a look at the President's budget insofar as allocations to the ARDN account.

We are, as I mentioned, concerned about obviously our address to the new democracies in the world. We need to support them. This is a goal that this nation has sought for many years. We have those opportunities. But in the final analysis, Mr. Chairman, I would hate to see the programs that we need to sustain in Latin American and Africa and in Asia suffer as a result of the need to address Eastern Europe, Panama, and Nicaragua.

Thank you very much.

[The prepared statement of Mr. Apple follows:]

TESTIMONY OF

DR. J. LAWRENCE APPLE

CHAIR, INTERNATIONAL COMMITTEE ON ORGANIZATION AND POLICY

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS

APRIL 4, 1990

Thank you, Mr. Chairman and members of the committee; I appreciate the opportunity to testify before you today as your committee grapples with the difficult tasks of establishing funding priorities for foreign operations accounts.

As you know, Mr. Chairman, state universities and land-grant colleges have had a long history working with the federal government to assist in carrying out U.S. policy mandates as established by Congress and the President. We believe that our university experiences working with developing countries and institutions through the Agency for International Development, and other government agencies, offer a strong base for future relations on existing and new initiatives throughout the world. We have helped create much needed capacity abroad and made discoveries of mutual benefit to foreign countries and U.S. food and agriculture production, helping to improve agriculture production and food security throughout the world.

The changes that have occurred just in the past year call for new approaches in our assistance programs. In many situations we must move from technical assistance relationships to long-term development projects based upon mutual benefit. Our universities are well prepared to meet the challenges of the changing world, and we offer our talents to work as partners with all sectors of the federal government. We applaud the actions taken by Congress and the President to assist emerging democracies in Eastern Europe and Central America. The Administration's budget request for the upcoming fiscal year reflects a government-wide willingness for the United States to play a major role in shaping the face of new nations. The continuing shifts in international events present the United States with a unique opportunity to expand its international participation. We should position ourselves to play an active role in both new and continuing international development efforts.

It is important to remember, therefore, that the United States has had long-standing commitments in areas of the world such as Africa and Asia that are not making page one news at the moment. These programs, which have already seen a net decrease in federal spending because of Gramm-Rudman-Hollings' budget constraints, are now being further reduced in an effort to supply money for newly emerging democracies. Under the President's fiscal year 1991 budget, requested funding for AID's Africa Bureau is reduced by $123.66 million over actual 1989 expenditures. Similarly, funds for the Asia, Near East and Europe bureau, which you would expect to have increased, have actually dropped $218.68 million.

I would urge you, Mr. Chairman and members of the committee, to remember these long-standing commitments and restore full funding to these programs when funding decisions are made. Continually underfunding these programs substantially increases the likelihood that countries who rely on AID programs for basic needs will become the crisis areas of tomorrow. In the long run, they could well require more funding to alleviate a crisis than if adequately funded programs had been sustained. This type of "crisis-to-crisis management" undermines the basic premise of U.S. assistance. To be sure, the United States should be able to respond to worldwide crises; however, our traditional role in foreign assistance has gone beyond crisis alleviation to building in-country institutions and improving their capacity for self-reliance and trade.

We are especially concerned about the Administration's budget request that calls for a $63.2 million real dollar decrease in the Agriculture, Rural Development and Nutrition Account over fiscal year '89 levels, the last fully funded year for these accounts, and a $57.1 million decrease over current year post Gramm-Rudman-Hollings sequestration levels. The total agricultural research and technical services programs for AID's Science and Technology Bureau that involve U.S. universities are now less than 5 percent of the AID Section 103 budget.

Further budget pressures come from the agency's de-emphasis on agriculture programs. Government-funded studies have consistently shown that a sustainable food supply is a necessary foundation in order for any society to raise its standard of living and compete in international markets. Yet, the Agriculture, Rural Development and Nutrition Account is now less than 45 percent of the functional budget, down more than 8 percent from just 1983. The results of these further spending cuts are that fewer agriculture and nutrition programs will be implemented and those that are will see their effectiveness decrease markedly.

At a time when more and more of the world's population relies on a shrinking amount of food, slashing basic assistance accounts such as this just does not make sense. The agricultural research, extension and educational institutions in much of the developing world have deteriorated within recent years through the loss of staff and dwindling budgets. Their program capabilities and quality has declined as AID has retrenched from institutional development programs. The resulting brain-drain within the agency has resulted in a sharply limited role for agricultural programs within the agency structure. Because agriculture programs are the most essential element in any successful development assistance project, we recommend, Mr. Chairman, that the committee restore funding for the Agriculture, Rural Development and Nutrition Account at least to its 1989 level of $487.7 million, so that needed programs can once again have a meaningful impact on hunger and the world food supply.

More broadly, the entire AID budget under the President's request would shrink by almost $39 million compared with 1989 figures, despite the fact that along with its traditional development assistance role, the Agency has taken a major new role in assisting emerging democracies. The result of this underfunding is obvious, Mr. Chairman: traditional AID programs have suffered tremendously as funds are diverted to new uses, and new assistance programs are not as effective as they would be with an independent funding source. Given the constantly changing world picture and the resulting broadening responsibilities of the Agency for International Development, we recommend that AID funding levels be increased to more realistically reflect the multi-faceted mandate with which the agency is now confronted.

If, as the Administration proposes, AID's Special Assistance Initiatives Account to assist global democratization is funded at $500 million, then AID should receive a large portion of that money as new funding to reflect that change. Failure to appropriate new dollars for large new programs means that the agency's mandate will not be successfully carried out. As I am sure you are well aware, Mr. Chairman, Congress and others have increasingly criticized AID-administered programs for being ineffective and mismanaged. To be sure, the Agency is not perfect. It is unrealistic, however, to expect AID to carry out its expanded mandate without increased financial support.

We appreciate the inclusion in last year's bill $1 million in new money under Title XII of the Foreign Assistance Act for the formation of a new Sustainable Agriculture Collaborative Research Support Project or CRSP. The planning of this new CRSP is well underway. The CRSP program is one of the most beneficial, cost effective programs run by AID. Until FY '86 CRSP funding from AID was running annually at nearly $20 million. Funding cuts within the agency and the mandatory cuts stipulated under the Gramm-Rudman-Hollings law, however, have trimmed AID's contribution to around $15 million. If the Sustainable Agriculture CRSP is to become a reality and the existing CRSPs are to continue their work—some of which is the best example of mutual benefit—funding will have to be increased. It is estimated that $1.65 million will be needed in this year's budget to continue development and begin implementation of the Sustainable Agriculture CRSP. Additionally, an average of $3 million per CRSP will be needed to fund projects already in operation.

In addition, on behalf of U.S. universities, I would like to thank you for your support for Debt-for-Development in the FY '90 legislation. While the House-passed foreign aid authorization bill also supported Debt-for-Development programs, as did a similar Senate Foreign Relations Committee bill, the permanent status of these programs within AID remains unsettled. In view of the bipartisan support for these programs, we are asking that this committee clarify the status in legislation this year to allow current favorable negotiations to continue.

The Debt-for-Development Coalition—which incorporates the National Association of State Universities and Land-Grant Colleges, as well as similar umbrella groups for U.S. cooperatives, private voluntary organizations, and the international agriculture research centers—is now working with counterpart organizations within debtor countries to forge productive people-to-people development programs. By using debt swaps, the limited resources available for funding these programs can be leveraged to greatly enhance mutually-agreed development programs in education, agriculture, health, environment, housing, research and rural development.

The Coalition offers an effective forum to carry on these negotiations on behalf of not-for-profit organizations with government and policy officials here and in targeted countries in Latin America, Africa and Asia. Current efforts include activities in Mexico, Costa Rica, Brazil, Argentina, Bolivia, Ecuador, Venezuela, Jamaica, Ghana, Nigeria, Zambia and the Philippines. We ask for your continued support.

I would like to stress here to you, Mr. Chairman, and the other members of the committee, that our universities are not here as just one group out of many that comes to Congress annually to ask for more funding. We have had a long history in working with Congress, AID and other agencies to solve the problems of international development. Together we have made a major impact on the developing world. We offer these recommendations in the spirit of that cooperation and as a reminder that much work remains to be done in areas both old and new. Our institutions stand ready to assist the Congress and AID in meeting the changes of the future.

I appreciate your time and attention. I look forward to your comments and questions.

Mr. OBEY. All right. Thank you.

WEDNESDAY, APRIL 4, 1990.

HUMAN RIGHTS WATCH

WITNESS

HOLLY BURKHALTER, WASHINGTON DIRECTOR

Mr. OBEY. Next we will hear from Holly Burkhalter of Human Rights Watch.

Ms. BURKHALTER. Hi. It is nice to see you again, Chairman Obey. I have produced a tome for you and your staff. I have got 14 countries here—a little summary of our concerns and some policy recommendations on each. I have one to add that I would like to leave with Mark and Terry and Mike on Nepal which I just wrote up this morning because our Nepal expert just got back from the country.

I went to the effort because you and your staff really use this stuff, and I want to thank you at this time for the good work of Terry and Lori and Mike and Mark and Bill, as well as the other members on the subcommittee staff, who stay very close in touch with the human rights community. We are always welcomed, and we appreciate that very much.

I'm sure the issues we discuss in this very lengthy statement will be looked at and used, and I'm glad to have the opportunity to take just a minute to highlight a few of them.

In terms of bilateral aid, I am not going to get into the sort of gimmickry we sometimes get into in talking about authorizing tricks—certifications and conditions and those kinds of things. That is not what you do, though sometimes the bills get merged. But I will save those recommendations for the House Foreign Affairs Committee and Senate Foreign Relations.

But I would say, in terms of the actual money, this is the year to zero out military aid to Guatemala. It is a top concern of the Americas Watch.

As you know, the Administration only spent $2.9 million out of the $9 million appropriated for Guatemala last year. They clearly do not see pouring military aid into that country as a top priority. And the shocking deterioration of human rights in Guatemala in the last year, with a soaring rate of killings and disappearances of unionists, of students—we just got word that three more university students have been killed. That makes the number about 19 in the last 6 months. The university students' movement has been completely decimated. The trade unions have gone underground. The human rights community is now experiencing disappearances and killings. The best hopes of the Congress for this government have not been realized. Let's pull the plug on military aid to Guatemala this year.

On El Salvador I am well aware that there are all kinds of discussions going on on the best way to deal with the aid question. I don't have specific recommendations except to say that whenever the Congress really gets tough with the Salvadorans and makes a cut or puts serious conditions and withholds money, then you see action on some of the human rights cases. I hope something can be done this year— particularly with respect to the Jesuit case.

I want to say just a word about Peru and Colombia, the two countries that don't get as much attention by the Administration and even by the human rights community as they deserve. I noticed that Congressman Gerry Studds put in the Congressional Record the other day a list of 305 disappeared Colombians who vanished after security forces had taken them just in the last year. If that kind of thing were going on in El Salvador or Guatemala it would be on the front pages of the paper, but it is going on in Peru in a vicious insurgency and a vicious counter-insurgency campaign. I have made policy recommendations about Peru and Colombia, and I commend it to the attention of your and your staff.

We also make recommendations on Israel. This is the first year that we have made any policy recommendations on the Middle East. We didn't have a Middle East Watch before; we do now. Our first report was a report on Iraq. We have a report on Israel coming out soon, a report on Syria in the pipeline, and we will be coming to you in the future on questions on a number of Middle Eastern countries.

I want to say a word about Iraq which, of course, is not a recipient of bilateral aid. I think, in view of their longstanding, extraordinary human rights problem, and then the recent disgraceful events, including the execution of Financial Times journalist in Iraq, as well as the chemical warfare, I would love to see stricter controls on the Export/Import Bank lending to Iraq.

The Inouye Amendment last year, as you know, passed the United States Congress and included a waiver for the Administration which they were quick to use. I fail to see how it is in the United States' national interest to be providing financial credits to the Export/Import Bank, and I would urge the committee to look again at putting tighter controls on Export/Import Bank activity.

We very much appreciated your activity on China and your urging the Administration to oppose loans to China. Congresswoman Pelosi took the words right out of my mouth.

I would say that there are a couple of other countries where we have also made recommendations that something be included in the report language about U.S. votes. I'd say here a word about Sri Lanka, which really towers above almost every country I'd talk about in terms of gross abuses of human rights. Violations come from many parties, as you know, in a terrible situation of civil war, but the government is certainly responsible for a lot of them.

I draw your attention to a donors' meeting in January of this year where the Swedish and the Dutch governments very strongly conveyed to the Sri Lankan authorities that in the future their aid is going to be conditioned on human rights improvement. At the very time of the meeting, the Financial Times was reporting that 147 headless corpses appeared on the roads in the south, presumably JVP supporters—victims of government abuses. Believe it or not, that is not an extraordinary circumstance for Sri Lanka, where as many as 30,000 civilians died in the violence last year. Something has absolutely got to be done.

We don't favor cuts in development assistance, which is largely what Sri Lanka receives from the United States, but the United

States should certainly be looking for ways to convey concerns and we are not doing it yet and the banks provide some opportunity to do so.

We'd say the same with respect to Somalia and Sudan, where bilateral aid is virtually frozen now as a consequence of both the Brooke Amendment and, in the case of Sudan, section 513, which prohibits bilateral assistance.

I think that particularly this subcommittee's excellent work on the horn of Africa has led to a change in policy on the part of the Administration and they are being much more cautious about bilateral aid to two governments that shouldn't last long. I hope they don't last long. I would also look to U.S. votes in the banks with respect to those two countries.

I think I'll stop there. We have many other recommendations, but my time will expire.

I would be happy to answer any questions you may have.

[The prepared statement of Ms. Burkhalter follows:]

HUMAN
RIGHTS
WATCH
AFRICA WATCH · AMERICAS WATCH
ASIA WATCH · HELSINKI WATCH
MIDDLE EAST WATCH · FUND FOR FREE EXPRESSION

☐ REPLY TO: 485 FIFTH AVENUE, NEW YORK, NY 10017 TEL (212) 972-8400 FAX (212) 972-0905 TELEX 910240 1007 FFFEXPSN NY
☐ REPLY TO: 1522 K STREET, NW, SUITE 910, WASHINGTON DC 20005 TEL (202) 371-6592 FAX (202) 371-0124

ROBERT L. BERNSTEIN
Chairman
ADRIAN DEWIND
Vice Chairman
ARYEH NEIER
Executive Director
KENNETH ROTH
Deputy Director
HOLLY J. BURKHALTER
Washington Director
ELLEN LUTZ
California Director
SUSAN OSNOS
Press Director
STEPHANIE C. STEELE
Business Manager
JOANNA WESCHLER
ALLYSON COLLINS
Research Associates

AFRICA WATCH
RAKIYA OMAAR
Executive Director
RICHARD CARVER
Research Director
'CE MENDS-COLE
ungton Representative

AMERICAS WATCH
JUAN MENDEZ
Executive Director
CYNTHIA BROWN
Deputy Director
JEMERA RONE
Counsel
ANNE MANUEL
Research Director

ASIA WATCH
SIDNEY JONES
Executive Director
ROBIN MUNRO
Research Director

HELSINKI WATCH
JERI LABER
Executive Director
CATHERINE FITZPATRICK
Research Director

MIDDLE EAST WATCH
ERIC GOLDSTEIN
Research Director

FUND FOR FREE EXPRESSION
PHIE C. SILBERBERG
:utive Director

HUMAN RIGHTS AND FOREIGN AID TO SELECTED COUNTRIES

Testimony of Holly Burkhalter, Human Rights Watch
House Committee on Appropriations
Subcommittee on Foreign Operations
Wednesday, April 4, 1990

Thank you for taking time to receive testimony on human rights and foreign aid, Chairman Obey. My name is Holly Burkhalter, and I am the Washington Director of Human Rights Watch. Human Rights Watch is a human rights monitoring organization consisting of Americas Watch, Helsinki Watch, Asia Watch, Africa Watch and the newly-formed Middle East Watch. Human Rights Watch appreciates your close attention to human rights around the world, and your efforts to monitor the uses of U.S. foreign assistance.

Because we have made recommendations about foreign aid to numerous countries, it might seem that Human Rights Watch does not favor U.S. foreign aid anywhere. Such is not the case. I strongly support foreign assistance (particularly that which directly benefits the needy.) But at a time when U.S. foreign aid is dwindling and pressing needs are growing, Congress is

EXECUTIVE COMMITTEE

ROLAND ALGRANT, PETER BELL, ROBERT L. BERNSTEIN, DOROTHY CULLMAN, ADRIAN W. DEWIND, JONATHAN FANTON, JACK GREENBERG, ALICE H. HENKIN, STEPHEN KASS, MARINA KAUFMAN, JERI LABER, ARYEH NEIER, MATTHEW NIMETZ, BRUCE RABB, KENNETH ROTH, NADINE STROSSEN

increasingly faced with difficult choices on foreign aid, as no one knows better than the chairman, members, and staff of this Subcommittee. It is a pity to see scarce foreign assistance being given to shore up shaky governments which are wildly unpopular with their own people. We find it particularly regrettable when U.S. citizens are asked to pay with their taxes for weapons and other means of support for armies and police forces which engage in killings, torture, and disappearances.

In the attached testimony I will highlight our concerns about a number of countries. Because this is a hearing on foreign aid, I am limiting my testimony to those countries which are recipients of foreign aid, though, as you know, Human Rights Watch monitors a range of countries including many which do not receive foreign aid. Our organizations also monitor guerrilla forces, such as the FMLN in El Salvador, which, of course, are not foreign aid recipients.

LATIN AMERICA

El Salvador: The Reagan and Bush Administration have been promising that human rights have been improving and that U.S. aid has been a key to that process. Yet ten years after the murder of the country's beloved Archbishop, army troops used U.S.-supplied guns and bullets to murder six leading religious figures and two witnesses. The cases of Archbishop Romero and the murdered Jesuits stand as the bookends to a decade of violence. In between, well over 41,000 Salvadoran civilians have been murdered or disappeared at the hands of government forces and death squads. The FMLN, too, as you know, has targeted civilians, and executed hundreds.[1]

A review of the military's record of human rights violations just within the past year quickly disabuses one of the notion that U.S. policy has inculcated respect for human rights within the Salvadoran armed forces, or subordinated the military to the civilian government. The following are but a sampling of the recent cases of military abuses recorded by Americas Watch or by Tutela Legal, the human rights office of the Archdiocese of San Salvador.

-- On January 23, 1989, soldiers of the Fourth Military Detachment in Morazan abducted a man from his whom they accused of being a guerrilla. Soldiers searched his home and threatened and interrogated his wife, and immediately thereafter shot and killed the man. Soldiers found no weapons in the house.

-- On February 2, 1989, a university student and an agricultural worker were abducted by soldiers in San Salvador; a day later the two men's bodies were found showing signs of torture: bruised genitals, slashes, heavy beatings to the legs, and stab wounds in the hands, legs, arms, and face.

-- On March 7, 1989, the Air Force bombed and strafed villages in northern Morazan in the midst of a cease-fire declared by then-President Duarte; five civilians (including three young children) died and another five were wounded.

-- On April 15, 1989, in San Idelfonso, San Vicente, the Air Force discovered an FMLN field hospital. An Argentine doctor, a French nurse, a paramedic health worker, a patient being treated, and a schoolteacher were killed by the soldiers after being captured. An autopsy done in France on the murdered nurse revealed clearly that she was tortured -- her right hand was amputated -- and she appeared to have been raped as well.

---

[1] Americas Watch deplores abuses by both parties, and repeatedly calls upon them to abide by the laws of non-international armed conflict, which prohibit executions of noncombatants. Since this hearing is focused on U.S. policy, I will limit my testimony to that party which receives U.S. aid, the Salvadoran armed forces.

-- Between July 1 and 3, 1989, soldiers from the First Brigade and Atlacatl Battalion arrested seven young men, whom they brutally mistreated during interrogation. Two of the men died as a result of this abuse.

-- On November 12, 1989, the army summarily executed between five and nine persons, including noncombatants, and wounded guerrillas who were no longer taking part in hostilities.

-- On November 16, 1989, soldiers of the U.S.-trained Atlacatl Battalion assassinated six Jesuit priests and two witnesses. (See below.)

-- On November 18, 1989, army soldiers shot dead seven unarmed young men in Cuscatancingo, a northern suburb of San Salvador. Six of the victims were players or assistants of a local soccer team. The seventh was a bread vendor. The young men had stayed in their neighborhood to guard their houses from looting after the army had warned residents to leave during the FMLN offensive. Upon finding them there, soldiers lined them up against a wall and killed them.

-- On February 11, 1990, the Salvadoran Air Force rocketed a house in which 21 civilians had taken refuge, killing five and wounding sixteen. When the Catholic Church's human rights office (Tutela Legal) called for prosecution of those responsible, the armed forces denounced the effort as a "malicious... effort to create a criminal case which does not exist against those who were complying with their duty."

-- On June 20, 1989, Third Brigade soldiers detained a member of an agrarian cooperative, and turned him over to the National Police. His wife was informed that he had hung himself in custody; the corpse showed blows to the eye, nose and chin and the skull broken, and burns on the hands.

-- On August 22, 1989, a student was stopped by a soldier of the Atlacatl Battalion in San Salvador. When the boy attempted to walk on after his bag was searched, he was shot in cold blood.

-- On July 11, 1989, a twelve-year old orphan who worked as an orderly for the civil defense group in Santa Ana was shot dead by the captain of the civil defense unit, who said he thought the child was a guerrilla. (There were no guerrillas in the area, and the killing occurred during daylight close to the civil defense post.)

-- On August 29, 1989, a unit of soldiers from the Sixth Brigade opened fire on a group of unarmed young people who attempted to flag them down because their car had run out of gas. Six were wounded, and one died.

-- On December 6, 1989, six members of a cooperative near Ahuachapan disappeared after having been taken from their cooperative by uniformed soldiers. Members of the cooperative repeatedly denounced the disappearance, but the military continues to deny the men's detention.

One particularly telling index of the military's attitude towards human rights is the incidence of torture. Americas Watch has seen a sharp increase in the frequency of torture and inhuman treatment of prisoners by the Salvadoran police and armed forces in the past year. We have noticed a substantial increase in reports of severe beatings, asphyxiations, simulated drownings, druggings, applications of electric shocks, and sexual violence during interrogation. Whereas several years ago the use of such methods was sporadic, we now find that they are becoming much more frequent.

Under current law, as you know, the Administration can spend up to $5 million to provide training to the Salvadoran police, if a certification is made. Fortunately, the Administration did not attempt to certify that El Salvador met the conditions for police aid, but in the past the executive branch was known to certify the un-certifiable. Given the record of the Salvadoran police in torture and abuse, the very possibility of police assistance should be removed in this year's foreign aid appropriation.

I am aware that there are a number of bills before the Congress which would limit U.S. assistance to El Salvador. While we do not generally endorse specific legislation, Americas Watch has consistently advocated ending military aid to El Salvador because of gross abuses of human rights by the armed forces. We reiterated that position in the wake of the killing of the six Jesuits last November.

Chairman Obey, the Administration has consistently presented the Jesuit case as evidence that the Cristiani government is capable of bringing officers to justice for human rights violations. We see the Jesuit murders as a horrifying climax to a generation of killings, disappearances, and tortures of Salvadorans by the army. At this time, President Cristiani himself appears pessimistic about the prosecution of the officer who allegedly ordered the massacre, while it is widely believed that others had to have been involved. If there was ever a moment for the Congress to take dramatic action on foreign aid to El Salvador, this is the moment.

Guatemala: As you know, Mr. Chairman, the human rights situation in Guatemala has deteriorated dramatically over the past year. Americas Watch welcomed the Bush Administration's decision to highlight its concern about human rights by taking the unprecedented step of recalling U.S. Ambassador Thomas Stroock. This Subcommittee follows events in Guatemala closely, and the interest of the members and staff has contributed to the Administration's attention to human rights in Guatemala, I feel sure.

As you know, after the election of President Cerezo, the political "space" in that country expanded somewhat. Despite continued killings and disappearances by the military, there appeared to be more political activity, and the groups which had been virtually decimated during the military dictatorships -- students, unionists, journalists, human rights monitors, opposition politicians, and organized peasants -- attempted to rebuild their organizations. In the past year, Guatemala has reverted to the horrifying violence of the late 1970's and early 1980's, with an escalating toll of killings and disappearances of those same targeted groups once again.

Americas Watch is particularly concerned about the extreme rise in official hostility towards Guatemalan human rights advocates and the increasing numbers of murders and disappearances from the human rights community. Since September 1988, six human rights activists have been disappeared and three killed. (The most recent killing occurred on March 17, 1990, when two military commissioners shot to death a member of the Indian human rights group known as the CERJ, and badly injured a second CERJ member. When Amílcar Méndez, head of the CERJ, who, accompanied by the civilian government's human rights procurator attempted to deliver an arrest warrant against local military authorities for the CERJ murders, the military commissioners and a group of soldiers fired at Méndez and held up the procurator at gunpoint.) In addition, two relatives of members of the Mutual Support Group (GAM) have been slain, and a GAM director was abducted, interrogated, and released by unidentified men.

The army's attitude towards human rights groups may be seen in a disgraceful incident on March 2, 1990, when approximately 150 members of the GAM were attacked by 100 stone-throwing civil patrol members who had been ordered to appear at the army post in Chupol and to assault the GAM delegation. The GAM had organized the demonstration as a show of support for GAM members in the area who had suffered threats and harassment from members of the military and civil patrols. A number of GAM members, including its leader Nineth de Garcia, were injured from the hurled stones.

Perhaps no group has suffered more in recent months than students and teachers of Guatemalan universities. Since August of 1989, 19 members of the University Community have been abducted; of those, ten have been found dead, six remain disappeared, and three were released. Those missing or dead include much of the leadership of the University Students Association, which has been paralyzed by the violence. Four law students, who were kidnapped on March 26 while collecting funds for a student event, were found dead last Friday, March 30. In some cases, police stood by without interfering as heavily armed men kidnapped the students. Many of the students' names had appeared on death lists before they were abducted and disappeared or killed. Again, the modus operandi is chillingly similar to the period of the late 1970's and early 1980's when army death squads carried abductions of students and teachers with absolute impunity.

Trade unionists are also familiar targets, and violence against them has increased dramatically in the past years. The STINDE (Electrical Workers Union) have been particularly hard hit, with the union's General Secretary of the Pasabien affiliate murdered in September 1989, and a second STINDE member from the same affiliate was assassinated on March 14, 1990.

Nor are Americans safe from the violence. In November 1989, an American Ursuline sister, Diana Ortiz, was kidnapped and taken by a National Police officer to a clandestine detention center where she was tortured, interrogated, and sexually molested. Ortiz appears to have survived her ordeal because someone with authority over her captors realized she was a U.S. citizen and helped her get away. Medical examinations revealed over a hundred cigarette burns on Ortiz's body. The Guatemalan Defense Minister, General Hector Gramajo has shrugged off the account of Guatemalan police torturing a U.S. nun by making the false claim that she was abused by a "lesbian lover."

The Cerezo Government has long claimed that the growing number of political killings and disappearances are not the work of the military but rather incidents of common crime, or the acts of right-wing death squads intent upon bringing down the government. It is important to note that the Government has been incapable or unwilling to carry out investigations and prosecutions of the perpetrators of political killings and disappearances -- either civilian or military. Americas Watch is aware of only one case of a prosecution for human rights abuses, involving members of the National Police in Quezaltenango. It is telling that the police have been unwilling to apprehend a single right-wing death squad member for the act of abduction and murder, despite repeated government allegations that the extreme right is to blame for many such crimes.

The attitude of the government is best seen in the continuing complete autonomy of the military in rural areas, where Indian men and boys are still required to serve in unpaid civil patrol duty (despite a provision of the Guatemalan constitution which says that patrol duty should be voluntary) and are subjected to savage reprisals if they resist.

The Bush Administration at last appears aware of the extent of Guatemala's human rights tragedy, and, in addition to the withdrawal of Ambassador Stroock, has cut back the U.S. military aid program considerably. As you know, the Congress appropriated $9 million in military aid for fiscal year 1990, and the Administration has indicated that it only intends to obligate $2.9 million of that amount. Clearly, any U.S. military assistance to Guatemala at this time is inappropriate, and we respectfully urge the Committee to eliminate it for the coming fiscal year.

Colombia: Americas Watch remains seriously concerned over the dramatic human rights situation in Colombia. During 1989, almost 4,000 Colombians were killed for political reasons, 75 percent in some 70 massacres involving five or more victims. There are no indications that the killings will decrease during 1990, an election year. In fact, recent events lead us to believe that the upcoming elections on May 27 have and will continue to exacerbate political violence in Colombia.

The August assassination of then-front-runner Liberal Party candidate Luis Carlos Galán, and then-front-runner, prompted the so-called "war on the cartels" led by President Virgilio Barco. While President Barco has made commendable efforts in campaigning against the narco-traffickers in order to protect public officials and members of his political party, he has shown little interest in trying to protect members of leftist parties and movements.

The vulnerability of leftist leaders was demonstrated when, on March 22, Unión Patriótica (UP) presidential candidate Bernardo Jaramillo was shot and killed at the Bogotá airport. Since its formation in 1985, over 1,000 members of the UP have been killed by paramilitary groups. While these death squads are reportedly trained, financed and directed by the Medellín cartel, there is also ample evidence that the paramilitary groups enjoy logistical and intelligence support from well-placed, high-ranking officers in the Army. We are concerned that violence surrounding the upcoming election inhibits and threatens democracy in Colombia. Free and fair elections appear to be impossible in this violent political climate where two presidential candidates have already been assassinated.

There is also evidence of at least indirect responsibility of the government in these violent acts against opposition party members. The minister of government, Carlos Lemos Simmonds, was accused by UP leaders of stating two days before Jaramillo's assassination that the UP was closely associated with the guerrilla movement. Such inflammatory statements suggest that some in the government are using the violence to further their political agenda. (As you know, the UP, is a legal party which was formed following peace negotiations under President Betancour. Former guerrillas turned over their weapons to join the political process peacefully. The decimation of the UP by right wing death squads and their army accomplices gives little incentive to guerrilla forces remaining in the field to turn over their weapons and join the political process.)

Americas Watch is troubled by the attacks suffered by members of judicial commissions and judges who attempt to actively investigate human rights abuses. During the investigations into the March 1988 Urabá massacre -- during which two army officers were implicated for assisting the death squad responsible for murdering 20 men in the town -- Judge Martha Lucia Gonzalez Rodriguez was forced to resign after receiving a threat from a top-ranking officer in the Colombian Army. Her father was assassinated by unknown men in May 1989. Her successor, Judge Maria Elena Diaz Perez, who continued the Urabá investigation and confirmed arrest warrants against members of the military and two leading narco-traffickers, was killed on July 28, 1989. Several other judges investigating military involvement in death squad activities have received death threats. Clearly, such intimidation and harassment seriously impedes the work of prosecutors and judges attempting to bring death squad members and accomplices to justice.

We are also concerned about the reports of torture of opponents of the government by the military. In an August 1989 article in The Washington Times, it was reported that a former intelligence officer in the Colombian military had provided extensive evidence to the Justice Ministry regarding his knowledge of the practice of torture. And, while speaking off-the-record, some government officials who have investigated allegations of torture have told Americas Watch that the various police forces of Colombia use torture against detainees suspected of politically-motivated as well as of common crime offenses, and that torture is a regular and routine method of interrogation. Although the Barco Administration has not condoned this practice, any attempted investigations into allegations of torture are usually hampered by high-ranking security officials. In February 1989, the United Nations Working Group on Disappearances reported that during their study of 962 cases of disappearances over a five year period, many corpses were found bearing marks of torture. The presence of torture on bodies of persons who disappeared following their abduction by the armed forces or police suggests that those forces used torture during interrogation.

The practice of "disappearance" continues unabated in Colombia. According to the Association of Relatives of Disappeared Detainees, there were 250 complaints of disappearances of persons following their abduction by the military or security forces during 1988. The Association estimated that there have been some 1,500 persons disappeared following their detention by the authorities over the past ten years. In the United Nations Working Group on Disappearances' February 1989 report, they concluded that, "All in all, having carefully weighed the material available, the Working Group is of the view that, in the majority of the cases it has transmitted, circumstantial evidence strongly suggests or precise information clearly demonstrates involvement of units of the armed forces or security services in enforced or involuntary disappearances."

We are also concerned about the labor rights situation in Colombia. Americas Watch has written in protest to President Barco about the killings of hundreds of organized workers by the army or right-wing death squads, frequently operating at the behest of local landowners or narco-traffickers. We have also protested occasions during the past several years during which the military has restricted the exercise of the right to organize and strike under the authority of the emergency decrees in certain areas of the country.

Chairman Obey, the Administration has requested $58 million in Foreign Military Financing, $20 million in International Narcotics Control assistance, and $2.5 million in IMET. This is an enormous package of military assistance. We respectfully urge the Subcommittee to place some form of controls on the military aid that we are providing the Colombian armed forces in view of their poor human rights record. The enormous numbers of killings and disappearances by the Colombian military deserve condemnation by the Congress, and limits on U.S. assistance. In particular, we would welcome an initiative to withhold a portion of aid pending an investigation and prosecution of those responsible for participating in specific abuses, such as the Urabá massacre or the assassination of UP presidential candidate Bernardo Jaramillo. And we oppose assistance to the Colombian police, given their involvement in torture.

Peru: The ten-year war between the Peruvian government and the Sendero Luminoso has played a large part in making the human rights situation in Peru one of the most tragic in the Western Hemisphere. We are concerned that during President Alan García's last year in office he has abandoned efforts to control the armed forces, and the counter-insurgency war against Sendero is now conducted outside the rules of war.

The Peruvian government is currently fighting one of the most ferocious terrorist movements in the world. The Peruvian Senate reported that Sendero committed 1,526 assassinations in 1989. Victims included teachers, engineers, development and human rights workers, Indian peasants, and political candidates, as well as government, police and ruling party officials.

While Sendero's tactics are brutal, they do not justify comparable abuses, such as "disappearances," against civilians by the government. Under the Geneva Conventions, both sides are obliged to protect civilians during military operations, and are strictly prohibited from targeting civilians for execution. The phenomenon of "disappearance" appears to be a deliberate and systematic policy of the armed forces, particularly in the country's emergency zones, where constitutional rights have been suspended and military powers have been enhanced. The 1989 State Department Country Report on Human Rights notes that: "The bodies of disappearance victims are rarely found. Based on the testimony of survivors, it appears that most victims are taken to military bases for interrogation. Some are turned over to the police after lengthy detentions and are later freed for lack of incriminating evidence. Human rights groups argue persuasively that the rest are summarily executed by the armed forces." Peruvian human rights groups have compiled the names of 306 unarmed citizens who were arrested and disappeared during 1989. A list with an additional 135 names of persons abducted by the security forces but who later disappeared was also published. Many of those who reappeared reported that they were tortured or mistreated by the Peruvian security forces during their detention.

Americas Watch has received credible reports from social and religious workers who visit prisoners regularly who report that practically all inmates are tortured while in the custody of the investigations police (the PIP) or the special anti-terrorist branch of the PIP (DIRCOTE). A Peruvian government official has told representatives of Americas Watch that complaints of torture had been brought against 30% of DIRCOTE officers, though the government has made no attempt to bring abusers to justice.

Methods of torture in Peru include electric shock, beatings, drowning, hanging by the wrists, and mock executions.

Attacks against human rights organizations are also of great concern to Americas Watch. During a recent three-week period in February and March 1990, the Lima offices of three international human rights organizations were bombed, a prominent Peruvian human rights activist was threatened by phone, and another was kidnapped in full view of an acquaintance and has disappeared. Several of the attacks appear to be the work of the Comando Rodrigo Franco, a paramilitary organization that some believe is linked to the ruling APRA party. (Others consider the Comando Rodrigo Franco a cover used by various groups operating as instruments of the hard-line within the Peruvian army.)

Americas Watch has protested the attacks in a letter to Peruvian President Alan García, calling on his government to investigate and to punish those responsible. These incidents follow a pattern of aggression that has affected members of virtually all of Peru's human rights organizations and which, to date, has not led to effective prosecution and punishment in a single case.

Chairman Obey, as in the case of Colombia, U.S. military and police aid to Peru has risen dramatically in the past year. The executive branch has requested $39 million in FMS, $900,000 in IMET and $19 million in international narcotics control funds for fiscal year 1991. We object to the provision of unrestricted military and police aid to Peru, and respectfully request that the Subcommittee take steps to limit the Administration's request. In particular, we believe that the PIP and DIRCOTE's involvement in torture and disappearances makes it an unworthy recipient of U.S. foreign aid, and we urge that funds be directed elsewhere. And aid to the Peruvian armed forces should be conditioned upon a finding that they are firmly within civilian control, have accounted for the disappeared, and are not engaged in abuses against noncombatants.

MIDDLE EAST

Iraq: Middle East Watch recently released our first full-length report, which was a comprehensive examination of the human rights situation in Iraq. While it is not easy to monitor human rights abuses in Iraq, we have nonetheless obtained a chilling picture of extreme abuses of almost every human right by the Government of Saddam Hussein. The Iraqi Government imposes its dictatorial rule through the Baath Party's monolithic organization, which penetrates all elements of society and is responsible for enforcing political and social conformity; a pervasive system of informing -- such that Iraq has become a nation of informers -- which denies Iraqis the right to express their views candidly, even in private, and encourages friends and family members to report on one another; a highly developed cult of personality for President Saddam Hussein, active participation in which has become a test of loyalty and a prerequisite for advancement; and secret-police agencies that are empowered to arrest, detain without trial, torture and kill. Repression in

Iraq is so successful that outside the Kurdish areas it appears that virtually no known opposition exists. Political opponents have been killed, jailed, or have fled the country's borders. (Over a million Iraqis live in exile.)

Arbitrary arrest is a powerful tool for the repression of political dissent. Human rights groups can only estimate the number of political prisoners who are held in Iraq; estimates vary from a few thousand to tens of thousands. Estimates vary from a few thousand to tens of thousands. Prisoners are treated brutally: Amnesty International has reported extensively on torture in Iraqi prisons, and has described extreme abuses, including beatings, rape, burnings and hangings. Hundreds of prisoners have died under torture: bodies of prisoners are returned to their families or left in the street bearing marks of torture: eyes gouged out, fingernails missing, genitals cut off, and terrible wounds and burns. The 1989 State Department Country Report notes that "it is clear that both physical and psychological torture are used by the authorities, especially the security police. Given the rigid chain of command within the Government and the security services, torture could not be practiced without the knowledge or authorization of senior officials."

Middle East Watch is particularly concerned about egregious abuses against Iraq's ethnic Kurdish population, which, as you know, has been subject to military attack, summary executions of civilians, the forcible and violent relocation of half a million

Kurds from their homes, the destruction of homes and villages, and the use of poison gas which caused thousands of civilian deaths.

Middle East Watch supported the so-called Inouye amendment to the foreign aid appropriation last year, which prohibited Export Import Bank credits and loans to Iraq. As you know, the Administration waived the provision on "national interest" grounds, and just a few weeks ago EXIM Bank loan guarantees to Iraq were resumed. Mr. Chairman, it is hard to see what U.S. interests are served by supporting the Iraqi regime, in light of recent news reports of Iraq's importation of key components for nuclear weapons. Iraq did not hesitate to use poison gas -- a weapon which has been universally outlawed -- against Iran and against its own Kurdish citizens. The notion of nuclear weapons in the hands of a regime so ruthless is absolutely chilling.

The barbaric execution of journalist Farzad Bazoft is but the most recent of Saddam Hussein's violations of human rights. It highlights the need for Congress to take action to restrict benefits to Iraq, such as Export-Import Bank credits. We respectfully urge the Subcommittee to remove the "national interest" in current law so that the Congress' prohibition on EXIM credits for Iraq might be implemented.

Israeli-Occupied Territories: Within the next several weeks, Middle East Watch will be releasing our first report on the Israeli-occupied territories. Our organization is concerned about a number of human rights issues in the occupied West Bank and Gaza Strip, including the killing by Palestinians of other Palestinians who are accused of collaborating with Israeli authorities.

At this time, I would like to comment on one particular aspect of the human rights situation: the use of deadly force in the context of the uprising. As of March 20, an estimated 633 Palestinian residents of the territories had been killed by Israeli security forces during the two-year uprising. According to the Israeli human rights organization B'Tselem, 142 of the fatalities were aged 16 or under, despite standing orders that soldiers are to avoid "as far as possible," shooting at children. Thousands of other children have been injured, some left permanently handicapped.

There are, of course, some instances in which the use of fatal force is justified. The United Nations Code of Conduct for Law Enforcement Officers states that, "In general, firearms should not be used except when a suspected offender offers armed resistance or otherwise jeopardizes the lives of others and less extreme measures are not sufficient to restrain or apprehend the suspected offender." It is clear that this standard is not met in many of the situations in which Israeli soldiers have employed fatal force. According to army figures, only five percent of violent activity by Palestinians involves the use of clearly lethal weapons, defined as guns, knives and gasoline bombs; 85 percent is stone-throwing, 60 percent of which is carried out by children 13 years old or younger. A total of ten Israeli soldiers have been killed during the intifada.

Middle East Watch is concerned about the Israel Defense Force's rules of engagement which have contributed to the frequency of avoidable deaths. For example, IDF rules permit soldiers to open fire with live ammunition to halt a fleeing suspect if they have "reasonable" grounds to suspect the person of involvement in a terrorist act or a "serious felony." Serious felonies include membership and activity in a hostile organization, including the PLO or one of its outlawed local support groups. Thus if a person is even suspected of belonging to the PLO or other groups, whether or not he advocates or uses violence, he is considered a fair target for live ammunition if he does not heed orders to halt. The IDF has acknowledged that scores of Palestinians have been killed while fleeing -- that is, at a point where they were posing no immediate mortal threat to anyone.

Another IDF practice which results in many avoidable fatalities has been to extend the definition of suspected persons who may be fired upon during apprehension to include persons wearing masks, regardless of whether they were suspected of terrorism or a serious felony. During the uprising, many young Palestinian activists wear masks to avoid identification by authorities or informers. They wear masks while committing acts of violence, as well as during nonviolent political activities such as funerals and marches. This policy of permitting the firing upon persons wearing masks has resulted in the killing of many masked youths who ignored orders to halt.

One of the most disturbing aspects of IDF means of crowd and riot control is the use of plastic bullets. Authorities state that plastic bullets are nonlethal when used according to IDF guidelines. Thus, soldiers are permitted to fire them more readily in situations in which tear gas or rubber bullets are ineffective, but live ammunition was not permitted because soldiers do not face a threat to life. Permissible targets include youths who are throwing stones, burning tires, or building roadblocks in a manner that aims to injure persons or damage moving vehicles. Because of the mistaken notion that plastic bullets are non-lethal, troops fired plastic bullets with less restraint in non-life-threatening circumstances than would otherwise be the case. Since August 1988, over 125 persons have been killed by plastic bullets.

One of the reasons that unnecessary fatalities have been high is the limited nature of the Israeli Government's response to improper use of deadly force. Serious deficiencies in investigations of killings diminish the accountability that soldiers feel for their actions. And punishment is rare: out of approximately 450 killings committed by the security forces through the end of June 1989, in no more than 10 cases were soldiers court-martialed and convicted for improper use of deadly force, and sentences ranged from suspended sentences to a maximum of two years in prison.

Middle East Watch encourages the Congress to make known to the Government of Israel the link between human rights and foreign aid, which theoretically applies to all recipients of U.S. assistance. Moreover, we would welcome an expression of Congressional concern about IDF practices and regulations which have contributed to large numbers of unnecessary fatalities, and a call upon the government of Israel to investigate seriously and prosecute cases of soldiers engaged in improper use of deadly force.

ASIA

Indonesia and East Timor: Chairman Obey, I wish to bring to your attention developments in Indonesia. I know that you and your staff have followed the situation in East Timor for many years, and every year the foreign aid bill includes an expression of concern about the occupied island. I would respectfully urge you to do the same this year, as well as making mention of human rights setbacks in Indonesia itself.

Over the past half year, the situation in East Timor deteriorated to the point that it was worse than at any time since the mid-1980's. As you know, Indonesia has occupied East Timor for 14 years, and maintains tens of thousands of civil servants and soldiers on the island. Basic freedoms, such as right to speak, write, and assemble, are strictly controlled. The year 1989 witnessed increasing boldness by the East Timorese in speaking out against the occupation, and swift repression by the Indonesian authorities. In April, May and June of 1989 as many as 75 people were arrested. (The Catholic Bishop of East Timor, Monsignor Carlos Ximenes Belo, told journalists that 40 people were arrested in May alone, and that eight were tortured.) In October, another public demonstration of discontent took place during the visit to East Timor by Pope John Paul II. During the mass, a group of 20 young people carrying nationalist banners broke through the security barriers and shouted "Long live the Pope!" Security forces broke up the demonstration and, according to Bishop Belo, arrested 40 people, and subsequently tortured some of them. At least five young men sought refuge in his residence. Further arrests took place following a demonstration in November, and, most recently, soldiers violently broke up a group of 100 demonstrators demanding respect for human rights and independence for East Timor outside a hotel where the U.S. Ambassador, John Monjo, was staying in Dili. An eyewitness account provided by an Australian journalist noted extremely brutal behavior by the soldiers, including clubbing and beating. At least three students were hospitalized, two with serious head wounds. Ambassador Monjo expressed regret that the peaceful demonstration had been broken up by force, and urged the government not to arrest anyone.

Human rights in the rest of Indonesia continued to be repressed, as they have been throughout the Suharto dictatorship. Asia Watch was particularly horrified by the executions on February 15, 1990 of four Indonesian political prisoners. The four had been imprisoned for more than 24 years, after military trials wholly lacking in due process. The four are among the last of the political prisoners jailed after a failed coup attempt in 1965 who received death sentences. (They are also among the last to know the details of the right-wing counter-coup which installed Suharto and resulted in the executions of as many as half a million suspected supporters of the Indonesian Communist Party.) We may never know what prompted the executions 25 years after the fact, but we believe that a quarter century of waiting to be killed is cruel and inhumane treatment.

Chairman Obey, at a time when democratic developments are occurring around the world, the Suharto dictatorship is increasingly anachronistic. While the Administration's foreign aid request includes almost no military aid for Indonesia, I note that the executive branch has requested $5 million in Economic Support Funds (ESF.) While Asia Watch does not oppose development aid to Indonesia, which makes up the bulk of U.S. foreign aid to the Suharto government, we believe that the Committee should instruct the Administration to find better uses for scarce Economic Support Funds than providing it to Indonesia. (As you know, ESF is considered to be security assistance under human rights law, Section 502(B) of the Foreign Assistance Act.)

Philippines: Asia Watch monitors violations of human rights in the Philippines by the armed forces and by the NPA guerrillas. We will be releasing a full-length report on violations of the laws of armed conflict in the Philippines within a month or two.

I will summarize our concerns about government abuses here, as the armed forces receive considerable funding from the United States.

While the Aquino government has made efforts to establish human rights by such actions as the adoption of an impeccable bill of rights on the 1987 Constitution, and creating a government Commission on Human Rights with a staff of 600, serious human rights abuses remain unaddressed.

The guerrilla forces in the Philippines commit serious abuses against civilians, including large numbers of executions. However, gross abuses by the NPA do not justify gross abuses by the Philippines Armed Forces in conducting counterinsurgency operations against them. Asia Watch has found significant abuses, including large numbers of disappearances and killings by government forces or the civilian militia units associated with them. These "CAFGU" forces, trained by the Philippines Army, engage in abuses against persons suspected of being NPA members in contested areas of the country. Late year Asia Watch staff carried out an investigation of human rights in four provinces where major counterinsurgency operations are underway: Negros Occidental, Kalinga-Apayao, Zamboanga del Norte, and Quezon. In Negros and Zamboanga there were several instances of CAFGU members capturing and beheading suspected rebels and bringing the heads to local military commanders in expectation of a reward. We heard repeatedly of forced recruitment into CAFGU. (If young men didn't join, they would be considered sympathizers of the New

People's Army.) The screening process that was supposed to weed out abusive elements is a clear failure; the same people who joined the discredited Marcos-era civilian militia, the Civilian Home Defense Force, are turning out in droves for CAFGU.

Another human rights issue of concern to Asia Watch is the massive forced displacement of civilians as a result of military operations. Last April, 35,000 villagers living in remote areas of southern Negros Occidental were forcibly evacuated from their homes. During the evacuation, at least eight men were apparently summarily executed in custody by the Army. Conditions in the evacuation centers were so deplorable that over 100 children died. The villages of origin were extremely poor and the residents were at risk because of malnutrition even before the move. The villagers' health deteriorated due to the shock of the evacuation and crowding together in temporary and hastily-prepared evacuation centers. Measles spread like wildfire, in some cases killing all the children in a family, and there were many infant victims of diarrhea as well.

Another human rights problem in the Philippines is the growth of private armies. The ban in the 1987 Constitution on private armies is being violated with the blessing of the military and the Aquino Government with the creation of officially-sanctioned "Special CAFGUs": employees of private companies or plantations trained by the military but funded by the companies to act, in theory, as a deterrent to NPA tax collection. We fear that these private forces will be even less accountable to human rights standards and represents an ominous development in the government's counterinsurgency campaign.

During 1989, five human rights monitors were killed in the Philippines. Many more have been arrested, threatened with death, and harassed during the past year. Most recently, on February 11, human rights activist Efren Concepcion was arrested after soldiers took him from his home in Barangay San Sebastian in Bulacan Province. He was reportedly beaten during his arrest and taken to an undisclosed location.

Asia Watch has a number of recommendations to the Aquino government, and we would welcome Congressional support for our recommendations. In particular, the government should disarm and disband private armies, vigilantes, fanatics and prosecute their members to the full extent of the law; provide full backing for civilian courts to try and convict members of the Philippines Armed Forces who break the law; create a system of strict military discipline for members of the armed forces, whether or not the cases are prosecuted in the civil courts; cease the policy of forcibly evacuating civilians from their homes and restricting their movement except in situations of absolute military necessity and only then in accordance with international humanitarian standards.

While it is unlikely that the Congress will end or limit military assistance to the Aquino Government, we nonetheless respectfully request that the link between human rights and foreign aid be made plain, and some means taken by the

Subcommittee to convey seriousness about continuing abuses of human rights in the Philippines.

Sri Lanka: Mr. Chairman, the human rights record of the Sri Lankan government is one of the worst in the world. All parties to the conflict in Sri Lanka have engaged in horrific abuses against civilians in that war-torn country, resulting in as many as 30,000 deaths from political violence last year. As United States influence with opposition guerrilla groups in Sri Lanka is most likely negligible, we are directing your attention to violations by government forces and death squads allied with them.

In the past year, the Sri Lankan authorities appear to have virtually eliminated the JVP (the radical Sinhalese insurgents) in the south, killing most of the group's top leadership in custody. Yet murders and disappearances of civilians in the south continue; the armed forces and the paramilitary death squads associated with them are still murdering literally hundreds of civilians suspected of sympathizing with the JVP. We draw your attention to a report in The Financial Times of January 17, 1990 which stated that "147 headless corpses -- presumed suspected members of the JVP -- were found on roads in the south."

In addition to targeting supposed JVP sympathizers, almost anyone perceived as being opposed to the government is in danger of death or disappearance by the armed forces and death squads. For example, Sri Lankan human rights monitors who had taken action on behalf of the disappeared were subjected to reprisals themselves. Charitha Lankapura, Kanchana Abeyapala, Neville Nissanka, Sarath Ratnayake and Sarath Karalliyadda -- all human rights lawyers who had filed habeas corpus petitions on behalf of persons illegally detained and persons who disappeared in the custody of the security forces, or who had been investigating extrajudicial executions of demonstrators were killed -- last year by gunmen believed to be working with the security forces. Numerous other human rights lawyers received death threats and had to flee the country.

In recent weeks Sri Lanka has been in an uproar over the murder of Richard De Zoysa, a highly-respected actor and journalist who was found murdered on February 19. De Zoysa, who had written numerous articles critical of the Premadasa government and appeared in a play which mocked the government, was reportedly abducted by men who were members of a special police team which reported directly to President Premadasa. Following his abduction, De Zoysa's mother's home was searched, and a family member was told by a high-ranking government official that De Zoysa was in custody. De Zoysa's body bore the marks of torture, including extensive beating to the head and fingernails were removed.

The imposition of emergency regulations by the Government has permitted and abetted Sri Lanka's human rights disaster. Such regulations, along with the Prevention of Terrorism Act, permit the government to detain persons incommunicado for up to

18 months without charge or trial in any place determined by the Interior Minister. Accordingly, family members can never be sure where their relatives are being held, and there are no restraints on the use of torture. Asia Watch continues to receive appalling reports of extensive torture of detainees by the security forces, and disappearances following detention by the security forces have risen: in 1989, human rights groups reported hundreds of disappearances.

We do note one welcome development in Sri Lanka recently in the government's agreeing to permit the International Committee of the Red Cross to visit detention centers in the south, and hope that their access might be extended to the northeast as well.

The Sri Lankan Government's egregious abuses of human rights which continue to increase require a strong U.S. response. Yet the Bush Administration has been remarkably silent about the situation. We note that at a recent donors meeting in Sri Lanka, the Dutch Government and other Western donors indicated that unless the Sri Lankan Government takes swift action to halt abuses, aid programs would be sharply reduced. Moreover, the U.S. should end its military aid program to Sri Lanka and prohibit commercial sales of military equipment in accordance with U.S. law (Section 502B of the Foreign Assistance Act.)

Finally, in accordance with Section 701 of the International Financial Institutions Act, the executive branch should oppose upcoming loans to Sri Lanka in the multilateral development banks except those which expressly benefit the poor. Last year the United States supported loans to Sri Lanka totalling $172 million in the World Bank and Asian Development Bank. Further loans to the Sri Lankan government in view of its consistent pattern of gross violations of human rights are clearly inconsistent with U.S. human rights law.

AFRICA

Somalia: Human rights in Somalia, always bad under the 20-year Siad Barre dictatorship, deteriorated sharply since spring of 1988 when the government responded brutally to an offensive by the Somali National Movement (SNM). For nearly a decade before the insurgency, the army and various security forces sought to stamp out dissent and to prohibit criticism of government policies by extreme and systematic repression. The pervasive control of political activity and the press and independent institutions discouraged opposition. Perceived opponents were arrested and subjected to indefinite detention.

In the course of its counterinsurgency operations against the SNM in the north, the Government turned its firepower (including air force and artillery) upon civilians of the Isaak clan, the largest clan of the region, causing very high casualties and the flight of over 400,000 into Ethiopia. Africa Watch estimates that the number of civilians killed by government forces is in the vicinity of 50,000 to 60,000 over the two-year period.

In 1989, civil war continued in the north and broke out in southern and central Somalia. The government practiced similar abuses against civilians in these regions in reprisal for their support of rebel movements. Counterinsurgency measures included slaughter of noncombatants, aerial bombardment of civilian targets, burning of villages and killing of livestock. Rape of women by soldiers -- often publicly -- was very common.

In July of 1989, there was an upsurge of repression in the capital city of Mogadishu itself, when the armed forces opened fire against a group of peaceful citizens who were leaving the mosques following prayer services. Hundreds of civilians were killed by soldiers, who also went house-to-house arresting hundreds of civilians. A group of 43 captured Isaak civilians were massacred by soldiers on July 16.

In the past year, the Congress requested a study by the GAO which interviewed refugees extensively, and confirmed human rights groups' reports of widespread abuses. Thanks to the close attention of the Congress, including the chairman and members of this Subcommittee, U.S. aid to Somalia has fallen dramatically. It is my understanding that virtually no military aid or Economic Support Funds have been received by the Siad Barre Government for well over a year, and current assistance is now less than a million dollars. Because Somalia is in arrears on its debt repayment, the Brooke amendment prevents new assistance from being considered.

While Africa Watch welcomes the strict limits on bilateral foreign aid imposed by the Congress, we are troubled that the multilateral institutions might be used to pick up some of the slack. Last year, the United States supported two World Bank loans and one from the African Development Bank totalling $108.9 million. From what I can tell from the title of the projects, they do not appear to be basic human needs programs. (One of the loans, $70 million from the World Bank approved in May, is a structural adjustment loan.)

Somalia is as clear an example of a gross violator of human rights as one could hope to find. It is illegal and unconscionable for the Bush Administration to continue supporting loans to Somalia at the multilateral development banks, in defiance of Section 701 of the International Financial Institutions Act. We respectfully urge the Subcommittee to express concern in the report accompanying your foreign aid appropriations bill, and to request an explanation from the Administration for its policy.

Liberia: As you know, U.S. aid to Liberia has been strictly limited by the Congress in recent years, due to the Doe Government's economic performance and human rights record. Continued limits on foreign aid are clearly needed, particularly in view of the country's deteriorating human rights situation in recent months.

Human rights in Liberia deteriorated dramatically in late 1989 when a small group of rebels entered the country, killed several civilian government officials, and briefly held the town of Butuo, in Nimba County. The rebels attacked other towns, killed soldiers, and a number of civilians. The Government engaged in an extremely brutal counterinsurgency campaign against civilians in the area, reminiscent of 1985 when hundreds of civilians were murdered by government troops following an abortive coup attempt.

As a result of the violence, over 120,000 Liberians fled into neighboring Guinea and Cote d'Ivoire, and another 50,000 are displaced within Nimba or in Monrovia. Africa Watch recently sent a staffperson to Cote d'Ivoire who received testimony from refugees. We learned of terrible abuses against the civilian population by the government forces, including murders of civilians, rape of women, and torching of huts (sometimes with people inside.) We also heard of killings of a number of civilians by rebel soldiers.

The human rights situation in Nimba County has an element of ethnic conflict, with the Krahn soldiers attacking the Gio and Mano communities, and the Mano and Gio rebel soldiers killing Krahn civilians. Nonetheless, longstanding ethnic tensions do not excuse the behavior of troops on either side. President Doe encouraged abuses by issuing orders for soldiers to kill any civilians who remained in the area after a certain date.

While the extensive abuses associated with the insurgency are clearly our top concern, the human rights situation under the Doe Government, generally, is very bad. An election has been scheduled for 1991 but extensive restrictions on political parties make it unlikely that the elections will offer Liberians the opportunity to elect a government of their own choosing.

On a more positive note, Africa Watch welcomes the recent release of 75 prisoners, including about 10 political prisoners. (Among those released are two opposition political leaders.) The releases appear to be a response to international pressure, or some say, an effort by President Doe to deflect attention from the behavior of his troops in Nimba County. Whatever the reason, the releases are positive and we commend the government for them. Notwithstanding the releases, however, Africa Watch remains concerned about continuing abuses against civilians in Nimba County, and particularly about the involvement of U.S. military advisers in the area. It is my understanding that two U.S.military advisers accompanied Liberian troops after massacres had been reported in Nimba. The State Department explained that the advisors were sent to assist the Liberian army commander in ending abuses of civilians by the armed forces. Informed observers speculate that the alleged Libyan backing of the rebels may have provided a more compelling motive. The military advisors were withdrawn after pressure from Congress and human rights groups, including Africa Watch. Africa Watch strongly opposes the association of U.S. military personnel in the government's counterinsurgency campaign.

Sudan: Sudan's already bad human rights situation took a turn for the worse last year with the military coup on June 30 which deposed Prime Minister Sadiq al Mahdi and replaced him with the Revolutionary Command Council, headed by Lt. Gen. Omer al Bashir.

The Bashir Government swiftly abolished virtually all of Sudan's independent institutions, including the labor movement which had been among the most vibrant in Africa. General Bashir purged the judiciary, the army and the civil service, banned trade unions and any form of protest, silenced the press and detained several hundred political prisoners. The detainees include lawyers, academics, doctors, politicians, journalists and trade unionists.

The new government created something unprecedented in Sudan upon taking office: a shadowy paramilitary security force which is largely composed of National Islamic Front sympathizers. The new group, which is responsible for most of the arrests of political prisoners since the coup, goes by the name of the Security of the Revolution, and has usurped the police and prison officials' usual authority. Africa Watch has received extensive testimony from prisoners who had been arrested by the "Security of the Revolution" and tortured in clandestine detention centers before being remanded to prison or released.

In December, the new government announced that the courts would be free to implement sentences handed down by shari'a law (a form of Islamic law.) These laws permit such penalties as stoning, amputation, and flogging for certain offenses. Such penalties are prohibited by the U.N. Convention Against Torture and other international human rights standards.

A number of executions have taken place following the wave of arrests during and following the coup. The Government set up special military tribunals to hear cases, called "Special Revolution Security Courts" which are wholly devoid of due process guarantees. Beginning in early December, a number of sentences were handed down. A businessman accused of currency violations for possessing U.S. dollars was sentenced to death after a 20-minute trial and executed. Four doctors were brought before the courts for having participated in a peaceful strike. One, Dr. Mamoun Mohamed Hussein, was sentenced to death. (The sentence has not been carried out; Dr. Mamoun remains in prison. Ambassador James Cheek has made strong representation on his behalf.)

A major part of the government's strategy for combatting the insurgency in the south has been to arm and equip forces from outside the ranks of the regular army. These groups, known as militias, are comprised of Arab tribes which are historically antagonistic towards southerners, and have engaged in horrifying abuses against them. One such occasion was the massacre at el Jebelein in December when a militia killed as many as 700 civilians, including over 100 children. The Bashir Government has encouraged and promoted the militias with the promulgation of the "Popular Defense Act" in October, which strengthens relations between the militias and the government, and confers upon them additional legitimacy.

The SPLA (the insurgent force in the south) has also engaged in extensive abuses against civilians. One particular practice has been to deny access to relief agencies to government-held towns. Such a policy has contributed greatly to starvation in the south, as has the SPLA's sabotage of relief deliveries. Africa Watch has also received reports of killings of civilians by the SPLA. We are also concerned about the SPLA's shelling of Juba City in January 1990, which put civilians at grave risk.

Bilateral U.S. assistance is currently blocked because of the Brooke Amendment and Section 513 of the Foreign Assistance Act. Nonetheless, the U.S. continued to support loans to Sudan in the World Bank. We find this position inconsistent with the law and with Congressional intent, and respectfully urge that the Subcommittee speak to the issue in the Subcommittee report accompanying the bill.

EUROPE

Turkey: Helsinki Watch was formed to monitor compliance with the Helsinki Final Act. We monitor the East Bloc and one NATO country, Turkey. Despite welcome changes in Turkey during the period we have been monitoring it, Helsinki Watch deeply regrets the government's continued and ubiquitous use of torture, the imprisonment of hundreds of political prisoners who have engaged only in non-violent acts or speech, and continuing restrictions on freedom of speech.

Human rights groups such as Helsinki Watch and Amnesty International have long monitored and criticized torture in Turkey. The State Department Country Reports on Human Rights for 1989 indicated that "continuing instances of torture were the principal human rights problem in 1989." Torture in Turkey includes the use of electric shock, pressurized water and other techniques and takes place largely during the incommunicado detention period in the political sections of police stations throughout Turkey. Human rights activists and lawyers indicate that over half of criminal suspects and well over 90 percent of political suspects are subjected to torture.

In September 1989, Prime Minister Turgut Ozal signed a decree providing that detainees in police custody be given access to lawyers at their own request, a commendable step that was designed to reduce the amount of torture experienced by detainees. Unfortunately, reliable reports reaching us from Turkey indicate that this order has not been carried out.

Freedom of speech and association in Turkey continue to be circumscribed by Articles 141 and 142 of the Turkish Penal Code, which forbid a communist party or communist or separatist propaganda and which forbid the formation of a communist party, the promulgation of separatist or communist propaganda, and the establishment of a religious state. Prime Minister Ozal told the Parliamentary Assembly of the Council of Europe that these articles are obsolete and that he would do his best to repeal them. (These articles are frequently used to prosecute Turkish citizens for non-violent expressions of opinion. Many hundreds of political prisoners are in jail under these articles.)

At a time when other Helsinki signatories have been virtually transformed, the persistence of serious human rights abuses in Turkey is regrettable. We urge the Committee to find a means of calling upon the Turkish government to take steps to eliminate political imprisonment, torture, and restrictions on peaceful expression, and to convey to the Ozal government that human rights and U.S. aid are linked.

Yugoslavia: Helsinki Watch is deeply concerned about the human rights situation in Yugoslavia, which receives less attention than it deserves by the Bush Administration. Yugoslavia has more political prisoners than all the other Eastern European countries put together. They include hundreds of Albanians who have been jailed for the non-violent expression of nationalist political views. Helsinki Watch does not take any position on the goals espoused by persons partaking of liberty of expression, but we do believe that the right to express views peacefully is protected by international human rights norms.

In our monitoring of human rights in Yugoslavia, Helsinki Watch has found that the Serbian authorities have punished ethnic Albanians in Kosovo as an ethnic group because of abuses against ethnic Serbs. In response to the Kosovo crisis, the authorities violently broke up even peaceful meetings and rallies with tear gas, truncheons, and automatic weapons. In January 1990, for example, riot police and troops broke up a protest in Kosovo and several ethnic Albanians were reported killed by Yugoslav security forces during disturbances.

The worst instance of violence in Yugoslavia occurred one year ago, on March 27-29, 1989 when at least 24 ethnic Albanians in Pristina were massacred by Yugoslav security forces. The Yugoslav authorities, who possessed ample means of appropriate crowd control, instead fired automatic weapons into the crowd. And, in the wake of the massacre, the authorities harassed doctors and medical personnel who tended the wounded.

Helsinki Watch is concerned about the government's use of a technique called "isolation," a procedure designed to remove from circulation Kosovo's principal ethnic Albanian leaders, and especially its intellectual leaders, during the constitutional ratification process last year. "Isolation" is a form of preventive detention without charge or trial and was used to incarcerate some 240 ethnic Albanians last March. Those arrested are often subjected to brutal treatment by guards.

Helsinki Watch supported a measure to condition aid to Yugoslavia during the House Foreign Affairs Committee's debate on the Eastern Europe supplemental authorization. The Broomfield amendment, which would have required a presidential certification on Yugoslavia (along with Albania, Bulgaria and Romania) was defeated, and a weaker version was adopted which would permit the President to remove Yugoslavia from the list of beneficiaries. We would like to see some form of mandatory report required of the Bush Administration about Yugoslavia's human rights record before aid is given to Yugoslavia. If it is procedurally appropriate to write such a provision into a foreign aid appropriations bill or the report accompanying it, we would urge that it be included.

Thank you for your attention to these important matters.

HUMAN
RIGHTS
WATCH
AFRICA WATCH · AMERICAS WATCH
ASIA WATCH · HELSINKI WATCH
MIDDLE EAST WATCH · FUND FOR FREE EXPRESSION

☐ REPLY TO: 485 FIFTH AVENUE, NEW YORK, NY 10017 TEL (212) 972-8400 FAX (212) 972-0905 TELEX 910240 1007 FFFEXPSN NY
☐ REPLY TO: 1522 K STREET, NW, SUITE 910, WASHINGTON DC 20005 TEL (202) 371-6592 FAX (202) 371-0124

ROBERT L. BERNSTEIN
Chairman
ADRIAN DEWIND
Vice Chairman
ARYEH NEIER
Executive Director
KENNETH ROTH
Deputy Director
HOLLY J. BURKHALTER
Washington Director
ELLEN LUTZ
California Director
SUSAN OSNOS
Press Director
STEPHANIE C. STEELE
Business Manager
JOANNA WESCHLER
ALLYSON COLLINS
Research Associates
■
AFRICA WATCH
RAKIYA OMAAR
Executive Director
RICHARD CARVER
Research Director
JOYCE MENDS-COLE
Washington Representative
■
AMERICAS WATCH
JUAN MENDEZ
Executive Director
CYNTHIA BROWN
Deputy Director
JEMERA RONE
Counsel
ANNE MANUEL
Research Director
■
ASIA WATCH
SIDNEY JONES
Executive Director
ROBIN MUNRO
Research Director
■
HELSINKI WATCH
JERI LABER
Executive Director
CATHERINE FITZPATRICK
Research Director
■
MIDDLE EAST WATCH
ERIC GOLDSTEIN
Research Director
■
FUND FOR FREE EXPRESSION
SOPHIE C. SILBERBERG
Executive Director

ADDENDUM: RECENT HUMAN RIGHTS DEVELOPMENTS IN NEPAL

House Committee on Appropriations
Subcommittee on Foreign Operations
Wednesday, April 4, 1990

The human rights situation in Nepal has deteriorated sharply in recent weeks, as the government has adopted increasingly repressive measures to crush the opposition's campaign for multi-party democracy. Thousands of students and opposition leaders and party members have been arrested, the majority for engaging in the peaceful expression of their political views, including at least 60 lawyers and more than 30 journalists. For example, students holding a rally in support of the release of Nelson Mandela were severely beaten by police on February 12 in Pokhara. Some 350 of the students were arrested. On March 16, 200 artists, poets, and other literary figures were arrested after they staged a silent protest against the government's restrictions on freedom of speech. Most were released later that day. On March 20, some 700 people were arrested during a seminar organized by the professional organizations, including the university

EXECUTIVE COMMITTEE
ROLAND ALGRANT, PETER BELL, ROBERT L. BERNSTEIN, DOROTHY CULLMAN, ADRIAN W. DEWIND, JONATHAN FANTON, JACK GREENBERG, ALICE H. HENKIN, STEPHEN KASS, MARINA KAUFMAN, JERI LABER, ARYEH NEIER, MATTHEW NIMETZ, BRUCE RABB, KENNETH ROTH, NADINE STROSSEN

teachers association, members of the Bar Association, and human rights organizations. Most were held for 6-8 hours for interrogation, and more than 100 were held for several days. Some 8-10 persons arrested at that time have since been charged under the Public Security Act, which permits detention without trial for up to three years.

Three human rights monitors have also been jailed under the Public Security Act: Dr. Devendra Raj Pandey, Vice-President of the Human Rights Organization of Nepal, Dr. Mathura Shrestha, Chairman of the Forum for the Protection of Human Righst, and Ram Kumar Jivan Mitra, a leading member of the Nepal branch of Amnesty International who was apparently arrested because he had sent information about human rights conditions to outside human rights organizations, including Amnesty International and Asia Watch. Family members have expressed concern that the prisoners may be transferred to remote mountain jails, a common practice in Nepal which makes it impossible for prisoners to have access to their families.

Many of those detained have been held outside ordinary detention facilities and have been subjected to severe beatings and other forms of torture. In one case, Nira Sharma, a 21-year old student, who was arrested on February 24 during a demonstration, was severly beaten in custody and subsequently denied medical care for more than a week. When she was taken into custody, the police struck her on the head with a wooden baton with such force that the wound became severely infected. While in custody, she was kicked in the back, resulting in a fall in which she sprained her ankle, and whipped until she fainted. Asia Watch has also documented cases of prisoners being beaten on the soles of the feet, being held for days without adequate food and water, being thrown into water tanks, or being forced to stand for hours in sewage tanks.

The police have also resorted to the indiscriminate use of force against demonstrators. Asia Watch is aware that some demonstrators have also engaged in acts of violence, including throwing stones and bricks at police and burning police vehicles. In one case, a policeman reportedly died as a result of being beaten by demonstrators. However, in their efforts to control the demonstrations, the police have resorted to deadly force in situations in which other methods of control, including tear gas, were available. Asia Watch is aware of at least 15 deaths that have resulted from the police opening fire on demonstrators. In Bhaktapur, family members were unable to claim the bodies of relatives who had been killed during demonstrations in February. A journalist who attempted to photograph the bodies of those killed was arrested and severely beaten in custody.

The administration has been inexplicably reticent about the crackdown against the pro-democracy movement in Nepal and about human rights violations by the security forces. In light of recent developments, Secretary Kelly's statement in testimony before the House Subcommittee on Asian and Pacific Affairs on

March 6 welcoming the Nepal government's exercise of "restraint" against demonstrators seems particularly inappropriate. The administration should publicly call on the Nepal government to release all political activists who have been arrested for exercising their rights of freedom of expression and freedom of association. It should also call for independent investigations into reports of torture of detainees, and indiscriminate shootings of demonstrators, and for the lifting of restrictions against the opposition press.

Mr. **Obey**. Okay. I appreciate your time today. Again, I'd just ask you to keep in mind the only authority this committee has is the authority to provide or deny funds. We cannot condition those funds unless we want to indicate that we think the authorization process ought to be extinct, and we do not happen to feel that way.

Ms. **Burkhalter**. Thanks for listening.

Mr. **Obey**. Thanks.

Wednesday, April 4, 1990.

AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE

WITNESS

DEAN C. LOMIS, CHAIRMAN

Mr. **Obey**. Next we will hear from Doctor Dean Lomis, Chairman of the American Hellenic Institute Public Affairs Committee.

Again, for the benefit of all pending witnesses, I am going to, as best I can, enforce the five-minute rule. So when this gavel reverses, that will indicate that your time has expired.

Good morning.

Dr. **Lomis**. Good morning, Mr. Chairman. I appreciate the opportunity to appear before you today on behalf of the American Hellenic Institute Public Affairs Committee and the Order of AHIPA to give a five-minute summary of my submitted testimony.

This committee's bottom line is money. By subsidizing Turkey's illegal occupation and colonization of Cyprus, we are making a bad investment. Let us remember that in 1984 the cost then per Turkish soldier was at least $9,000, as substantiated by Under Secretary of State Schneider in a report here to Congress. At that time, the total cost was about $315 million for occupation of Cyprus—more than half the money that we provide to Turkey. I have turned in an exhibit in regard to this issue.

We oppose as contrary to the national security and foreign policy interests of the United States the Administration's request for $598 million in military and economic aid for Turkey.

We support $345 million for Greece and a one-to-one ratio in aid to Greece and Turkey in recognition of the reality that a military balance must be maintained between these two U.S. allies. We support continuing the $15 million in humanitarian aid for Cyprus as long as the Turkish occupation presence remains.

We are here today to speak for American interests and to ask you to enforce U.S. laws and treaties.

The world has changed radically since we last met, and America needs a new foreign policy. Now that the Warsaw Pact has collapsed and the Central Front's importance has diminished, it is no longer appropriate to speak of the Southeast flank of NATO. The Southeast flank concept served to exaggerate Turkey's importance during the Cold War.

Today one must speak of NATO's Southeast region, vital as a lifeline to our Middle East allies. Now Greece's central point is more readily seen and Turkey's role is obviously diminished. Whoever has air and naval bases on the Greek Islands and on Cyprus controls the Eastern Mediterranean. Lose Crete, however, and Turkey is outflanked and our Middle East friends are cut off.

I have one main message today: the solution of the Cyprus problem is the key to stabilizing the Southeast region of NATO and normalizing relations with Greece and Turkey. The geopolitical jolts of the past year have shaken the myth of Turkey as a vital and reliable ally. Now Congress can act from a clear view of U.S. interests.

There are powerful moral and strategic imperatives today for Congressional action to solve the Cyprus problem.

In terms of geopolitics, the dramatic events of 1989 have reduced Turkey's value to NATO and the U.S. Turkey knows it. I read it and you read it. It is in the FBIS reports every day. How can the State and Defense Departments not know it? The Cold War is over, the Warsaw Pact is dead, but the myth of Turkey's value remains to be disposed of.

In terms of a new American grand strategy, America's prosperity and security in the emerging global commonwealth will be built on a foundation of the rule of law. But we must be credible as we attempt to construct a new world order. When the Congress fights for the rule of law on Cyprus, it fights to secure America's future.

In terms of international morality, the Berlin Wall has fallen, yet the green line remains, dividing the people of Cyprus.

Apartheid is being dismantled, yet Turkish Cypriot leader Rauf Denktash continues his apartheid policy for Cyprus.

The most notorious military occupations of our time have come to an end. Afghanistan, Namibia, Cambodia, and Angola have been cleared of foreign troops, yet Turkish troops remain on Cyprus after 16 years.

These are powerful reasons to act, yet the Congress does not. The Turkey myth is largely based on the map fetish of many U.S. officials, the excessive emphasis placed on geography and borders in geopolitical calculations.

I have great respect for the Turkish myth. It is a powerful one. It survived Turkey's assistance to the USSR during the 1973 Yom Kippur and her unwillingness to help the U.S. in its efforts to resupply Israel. The myth withstood Turkey's refusal last year to allow the U.S. to inspect a MIG–29 flown to Trabzon Air Base, and the fulsome praise in the eulogy offered by now-President Ozal to the Ayatollah Khomeini.

Any opportunity to solve the Cyprus problem should not be missed. Let us be proactive and not reactive in the Eastern Mediterranean. Had we acted this way in the past, I would not be here taking your time today.

The Cyprus problem is not a Greek-Turkish dispute, even though it strongly affects Greek-Turkey relations. It is a conflict between an independent state, the Republic of Cyprus, and the power that occupies and colonizes the country illegally, Turkey, with the use—illegally again—of American arms.

Let me also remind this body once more that there are 1,614 Greek Cypriots who have been missing since the illegal Turkish invasion of 1974 and 5 Americans who were kidnapped by the Turkish Army in the same time 16 years ago and are still missing.

For all these reasons and for more—and you will find those in my written testimony—we join Congressmen Broomfield and Yatron who, in their recent letter to you, Mr. Chairman, for this subcommittee, called for deep cuts in U.S. aid to Turkey. If these cuts don't work, H.R. 1045, the bill conditioning all U.S. economic aid and military aid to Turkey, should be continued. If Danktash's and Ankara's intransigence persists, the Congress should consider sanctions.

In closing, I want to add that Greece remains a steadfast ally. There is in Greece a permanent reservoir of good will and solidarity with the U.S. Of all Greeks, 90 percent or more have a relative in the U.S. These are concrete ties that don't exist with any other ally. Disputes and governments come and go, but the NATO alliance, one of the most successful alliances in this history of mankind, endures because of the values, principles, and democratic traditions we share.

Thank you, Mr. Chairman, for the opportunity to express to you our views today.

[The prepared statement of Dr. Lomis follows:]

TESTIMONY OF
DR. DEAN C. LOMIS
CHAIRMAN
AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE

BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS
DAVID OBEY
CHAIRMAN
ON
APRIL 4, 1990

SPEAKING ON BEHALF OF
THE AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE
AND
THE ORDER OF AHEPA

Mr. Chairman and members of the subcommittee:

I appreciate the opportunity to appear before you today on behalf of the American Hellenic Institute Public Affairs Committee, Inc. and the Order of AHEPA.

This subcommittee's bottom line is money. We all know that money, properly appropriated and spent, can do a lot of good. We know equally well that money provided to the wrong people for the wrong things can cause great harm. We give a lot of money to Turkey. The main point I wish to make is that our money is better spent elsewhere, funding crucial American priorities at home and abroad: education, the drug war, the new democracies in Eastern Europe and Latin America.

As Secretary of State Baker said recently:

> "The investments we now make in fostering democracy and market principles, in promoting peace... and in renewing and re-shaping key relationships around the world--all these are essential investments in our future...they will ensure that the world of the future is one in which our fundamental values continue to flourish."

By subsidizing Turkey's illegal occupation and colonization of Cyprus we are making a bad investment. That aid actually destabilizes NATO's Southeast region. By making aid to Turkey a sacred cow, we also condone Ankara's violations of the Rule of Law and Turkey's horrendous human rights record.

We oppose as contrary to the national security and foreign policy interests of the United States in the Eastern Mediterranean the administration's recommendation of $598 million in military and economic aid for Turkey.

We support $345 million for Greece and a 1-1 ratio in aid to Greece and Turkey in recognition of the reality that a military balance must be maintained between these two U.S. allies. We support continuing the $15 million in humanitarian aid for Cyprus as long as the Turkish occupation presence remains, in lieu of the $3 million proposed by the administration.

We also seek the renunciation by Turkey of its illegal claims in the Aegean or the submission of its claims to the International Court of Justice at the Hague.

We are here today as American citizens, to speak for American interests and to ask you to enforce U.S. laws and treaties.

The world has changed radically since we last met and America needs a new foreign policy. New concepts and approaches are needed and all U.S. commitments and relationships must be subject to a critical review, our ties to Turkey not least among them.

Now that the Warsaw Pact has collapsed and the Central Front's importance has diminished, it is no longer appropriate to speak of a Southeast flank of NATO. The Southeast flank concept served to exaggerate Turkey's importance during the Cold War (by emphasizing the importance of states bordering the Soviet Union).

Today one must speak of NATO's southeast region, vital as a lifeline to our Middle East allies. Now Greece's central role is more readily seen and Turkey's role is obviously diminished. Whoever has air and naval bases on the Greek Islands and Cyprus controls the Eastern Mediterranean. Lose Crete, however, and Turkey is outflanked, and our Middle East friends are cut off.

I have one main message today: the solution of the Cyprus problem is the key to stabilizing the Southeast region of NATO and normalizing relations with Greece and Turkey. The, geopolitical jolts of the past year have shaken the myth of Turkey as a vital and reliable ally. Now the Congress can act from a clear view of U.S. interests.

There are powerful moral and strategic imperatives today for congressional action to solve the Cyprus problem:

In terms of Geopolitics:

* The dramatic events of 1989 have reduced Turkey's value to NATO and the U.S. Turkey knows it--I read it in the FBIS reports every day; how can the State and Defense Departments not know it? The Cold War is over, the Warsaw Pact is dead, but the myth of Turkey's value remains to be disposed of.

In terms of a new American Grand Strategy:

* The post Cold-War world will be built on the foundation of the Rule of Law. AHIPAC's efforts in the past 15 years have been based squarely upon the Rule of Law. We are here not to ask you to be nice to Greece and Cyprus and mean to Turkey. We are asking you to be fair to America by enforcing U.S. and international law.

* America's prosperity and security in the emerging global commonwealth will be built on a foundation of the Rule of Law. But we must be credible as we attempt to construct a new world order. When the Congress fights for the Rule of Law on Cyprus, it fights to secure America's future.

In terms of international morality:

* The Berlin Wall has fallen, yet the Green Line remains, dividing the people of Cyprus.

* Apartheid is being dismantled, yet Turkish Cypriot leader Rauf Denktash continues his apartheid policy for Cyprus.

* Democracy and human rights are taking root in Eastern Europe, yet the massive aid we send to Turkey encourages Ankara to continue to violate the human rights of its own people and of the Cypriots.

* the most notorious military occupations in the world have come to an end: Afghanistan, Namibia, Cambodia, Angola have been cleared of foreign troops, yet Turkish troops remain on Cyprus after 16 years.

These are powerful reasons to act, yet the Congress does not. The Turkey myth is largely based on the map fetish of many U.S. officials, the excessive emphasis placed on geography and borders in geopolitical calculations.

I have great respect for the Turkish Myth. It is a powerful one. It survived Turkey's assistance to the USSR during the 1973 Yom Kippur War and her unwillingness to help the U.S. in its efforts to resupply Israel. The myth withstood Turkey's refusal last year to allow the U.S. to inspect a MIG-29 flown to Trabzon air base, and the fulsome praise in the eulogy offered by now-President Ozal to the Ayatollah Khomeini. Turkey's cynical threats and actions to during the debate over the Senate's Armenian Genocide resolution should have dented the myth, but it will also survive, in the minds of many, when Turkey permits the Soviet Union to sail the powerful new nuclear aircraft carrier, the Kremlin, through the Dardanelles this year.

In addition to the Turkey myth there is also the illusion of calm in the Eastern Mediterranean. That illusion must be dispelled.

Below the surface the situation still boils. Greece and Turkey have been on the brink of war as recently as 1987. The 1987 "Davos Spirit" of reconciliation has run out of gas. Further hostilities on Cyprus, where 35,000 Turkish troops menace the Greek Cypriots every day, could re-ignite the Greek-Turkish powderkeg. And Turkey has made threats in the past several months regarding Western Thrace.

Any opportunity to solve the Cyprus problem should not be missed. Let us be pro-active and not reactive in the Eastern Mediterranean. Had we acted this way in the past, I would not be here today.

Now I wish to distinguish between the Turkish people and the Turkish state. I believe that the most enduring alliances are not between states and their rulers, but between peoples. The Turkey myth has been harmful to America's relationship with the people of Turkey because, in the name of that myth, the U.S. has ignored Turkey's abominable human rights record.

It is U.S. law, and the best kind of law, that:

> "No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading punishment, prolonged detention without charges..."

The law is section 116 of the Foreign Assistance Act of 1961, as amended.

The State Department's Country Reports on Human Rights Practices for 1989 documents the fact that abuses of this kind continue. The Report describes the imprisonment of a 15 year-old schoolboy for doodling a hammer and sickle in his note book. The New York State Bar Association's Report is even more damning.

The time will come, I know not when, when Turkey will emerge from this transitional period where the military still controls most foreign policy and much domestic policy decisionmaking. The Turkish people will inevitably ask, as the people ask whenever juntas fall: what was the U.S. doing in giving all that military aid while these abuses were occurring?

What happens when the Soviet Union becomes more democratic than Turkey?

Moving finally to Cyprus. The Cyprus problem is not a Greek Turkey dispute, even though it strongly affects Greek-Turkish relations. It is a conflict between an independent state, the Republic of Cyprus, and the power that occupies and colonizes its territory: Turkey. Greece, like Great Britain, is a guarantor of Cyprus' independence, but is not a party to the dispute, and all Greek people seek peace and justice for Cyprus.

The intercommunal talks between Greek and Turkish Cypriots are a necessary but not sufficient condition for the solution of the Cyprus problem. Talks between the Republic of Cyprus and Turkey must take place parallel to the U.N. sponsored talks.

Who is benefitting from Turkey's occupation of Cyprus?

Turkey claims they are there for the good of the Turkish Cypriots. While the Greek Cypriot economy is booming, the gap between Greek and Turkish Cypriot living standards has widened since 1974, even though Turkey seized the most valuable and productive land! 30,000 Turkish Cypriots have emigrated. The best land and business opportunities have gone to settler/colonists from Turkey. The Turkish Cypriots resent this! Turkish Cypriot opposition leaders Mustafa Akinci and Ozger Ozgur cry out against these abuses and accuse Mr. Denktash of conspiring to turn Cyprus into a Turkish province.

Mr. Akinici is the mayor of the Turkish Cypriot part of the Cyprus's divided capitol of Nicosia. For years now he has been working with his Greek Cypriot compatriot and counterpart, Mayor Lellos Demetriades, in joint infrastructure projects. They are living proof that Greek and Turkish Cypriots can work together for the well-being of all Cypriots.

Since 1974, Rauf Denktash, with Turkish bayonets, has prevented Greek and Turkish Cypriots from meeting with each other, both on and off Cyprus. He has been forced to relent a bit and it is now clear why he struggled for so long against such meetings: Greek and Turkish Cypriot journalists, physicians, students, artists, etc. have discovered and re-discovered that they are one people, Cypriots, and that life in a re-unified Cyprus will benefit them all.

One thing is certain: a reunified Cyprus will join the European Community. It won't be long before Turkish Cypriots realize that exclusion from the EC is the price they pay for Denktash's partitionist and apartheid policy.

The Turkish strategy is to prolong the intercommunal talks until re-unification is impossible. All the Cypriot people deserve the chance to create a constitution which will meet their security concerns, protect their rights, and promote the re-establishment of human relations.

It is obviously absurd to divide an island nation of 650,000 people, forcing a duplication of infrastructure and industry. Division cripples Cyprus economically, promoting social and ethnic tension.

Let me also remind this body once more that there are 1614 Greek Cypriots who have been missing since the illegal Turkish invasion of 1974. There are also 5 American citizens who were kidnapped by the Turkish army at the same time 16 years ago. Turkey has been completely indifferent to pleas of family members for news of their loved ones' fate. The U.S. must tell Ankara, now, that if these people were killed by the Turkish army , let their families know this and allow them Christian burials. If they are alive, let them go!

And please stop the destruction and theft of Cyprus's cultural heritage and the heinous desecration of churches. The keys to these problems are not in Denktash's hands, but with his bosses in Ankara.

Let us state some obvious facts: the U.S is the best friend Turkey has got, perhaps even the only one. The EC won't let them in their club as long as Turkey occupies Cyprus and continues its violations of human rights in Turkey, and they may never let them in anyway. The bottom line is that Turkey needs our friendship, our money, and our markets.

But this is not just a money committee: Congress has a conscience. There is a moral bottom line: human rights. Our continued military aid to Turkey enables Ankara to violate the human rights of ALL Cypriots, and gives the signal that we also condone Ankara's violations of human rights against their own Turkish brothers and sisters and those of the 10 million Kurds, in her own territory.

Now that Turkey's value to NATO and the U.S. has declined even further, the Congress can afford to enforce U.S. laws and to defend its principles. It cannot afford to spend money vitally needed elsewhere in a way that encourages the violations of human rights and undermines the Rule of Law.

The UN sponsored Cyprus talks have been dead since last June. The Secretary General acknowledged that Rauf Denktash caused the most recent breakdown on March 2. U.N. Secretary

General Javier Perez de Cuellar also noted President Vassiliou's good will and commitment to a peaceful solution.

On July 7, 1988, President George Bush stated that:

> "We seek for Cyprus a constitutional democracy based on majority rule, the rule of law, and the protection of minority rights."

For all these reasons we join Congressmen Broomfield and Yatron. Who, in their recent letter to House Appropriations Subcommittee on Foreign Operations Chairman Obey called for deep cuts in U.S. aid to Turkey.

If deep cuts don't work, H.R. 1045, the Bill conditioning all U.S. economic and military aid to Turkey, should be considered. If Denktash's and Ankara's intransigence persists, the Congress should consider sanctions.

In closing I want to add that Greece, for all the misunderstandings of the past few years, remains a steadfast ally. There is in Greece a permanent reservoir of good will and solidarity with the U.S. 90% of all Greeks have a relative in the U.S. (Harry J. Psomiades and Alice Skourby, editors, The Greek American Community in Transition, Pella, 1982.) These are concrete ties that don't exist with any other ally. Disputes and governments come and go, but the NATO alliance, one of the most successful alliances in the history of mankind, endures because of the values, principles and democratic traditions we share.

Thank you, Mr. Chairman and members of the Subcommittee for the opportunity to express to you our views, today.

AHi-PAC
AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE, INC.

BOARD OF DIRECTORS
Dr. Dean C. Lomis
Chairman
James Athanasiou
Vice Chairman (Mountain States)
William Crassas
Vice Chairman (Southwest)
Dr. Takey Christ
Vice Chairman (South)
Alexander Christy, Esq.
Vice Chairman (Northwest)
Gus County, Jr.
Vice Chairman (Midwest)
Gregory Demetrakas
Vice Chairman (New England)
Gene Diamond
Vice Chairman (Mid Atlantic)
Dr. Nicholas Matsakis
Vice Chairman (Central States)
Angelo Tsakopoulos
Vice Chairman (Farwest)
Chris Pappas, Esq.
Secretary
Euripides P. Christulides
Treasurer
Eugene T. Rossides
Special Counsel

Pavlos Kotrotsios, Upper Darby, PA
James Lagos, Esq., Springfield, OH
James N. Lardas, Pittsburgh, PA
Dr. Theodore A. Lyras, Merchantville, NJ/PA
Dr. Pete N. Nickolas, Baltimore, MD
Dr. Theordore G. Pantos, Detroit, MI
Dr. A.K. Simonidis, Oakland, CA
Christine Warnke, Washington, DC

Orestes Varvitsiotes
Ex Officio

STATE AND LOCAL CHAIRMEN
AND COMMUNITY REPRESENTATIVES
Gus Andy, Cape May, NJ
Prof. James Apostolos, Venice, CA
Pauline S. Bagatelas, East Moline, IL
John Barlas, Saddlebrook, NJ
A. Steve Betzelos, Chicago, IL
Peter B. Caloyeras, Marina Del Rey, CA
Nicholas C. Canougas, Shelby, NC
Tom Cholakis, Troy, NY
Evan A. Chriss, Esq., Baltimore, MD
Dr. Andrew Christopher, McLean, VA
Dr. Christopher Costis, Chicago, IL
Andy P. Damalas, Norfolk, VA
John Daros, Chicago, IL
John Galanis, Esq., Elm Grove, WI
Robert J. Harris, Syracuse, NY
Nicholas Karakas, St. Louis, MO
Dr. James G. Kellis, Silver Spring, MD
Emmanuel Kontokosta, New York, NY
Dr. George A. Krikos, Denver, CO
Dr. Harry Ky[illegible]os, Winter Park, FL
Constantine [illegible]ngas, Pawtucket, RI
Pam Macricosta, Weirton, WV
Steve N. Pappayliou, Oceanport, NJ
Basil Savopoulos, Wilmington, DE
Micheal C. Savvides, Virginia Beach, VA
Dr. George J. Simitses, Atlanta, GA
Sam Solon, Duluth, MN
Andrew M. Spheeris, Esq., Milwaukee, WI
Douglas J. Thiel, Coral Gables, FL
Demetrios Vassiliou, Minot, ND
Dr. Peter N. Yiannos, Wilmington, DE

January 22, 1990

The Honorable
Robert Dole
Office of the Minority Leader
United States Capitol S-230
Washington, D.C. 20510

Dear Bob:

Congratulations on your recent initiative, as set forth in your op-ed page article in the New York Times on January 16, 1990 regarding the reallocation of 5% of certain foreign aid amounts to democracy building in Eastern Europe, Panama and elsewhere.

First, this letter confirms my comments by telephone to Al Lehn of your staff (Deputy Director, Office of Classified National Security Information) on Friday, January 19, 1990 expressing support generally for your initiative and specifically supporting in the interests of the United States the 5% reduction in aid to Turkey and proposing that it be coupled with a 5% reduction in aid for Greece.

As mentioned to Mr. Lehn this position is supported by the American Hellenic Institute Public Affairs Committee, whose Chairman is Dr. Dean C. Lomis, and the Order of AHEPA Cyprus and Hellenic Affairs Committee, whose Chairman is Michael Savvides, and a number of Greek American leaders throughout the country who were contacted.

I have no doubt this position would be supported by the overwhelming majority of Greek Americans as in the best interests of the U.S. I am also confident it would have the support of the majority of all Americans.

1730 K STREET, NW, SUITE 1005, WASHINGTON, DC 20006 (202) 659-4608, FAX (202) 785-5178

Second, we propose in the interests of the United States and support of the rule of law a further reduction in aid to Turkey by the amount it costs Turkey to maintain in Cyprus its 35,000 occupation troops and 60,000 colonists illegally in Cyprus, plus the amount it allocates to the Turkish Cypriot administration.

Former Under Secretary of State William Schneider, Jr., stated in testimony on February 21, 1984 before the House Foreign Affairs Subcommittee on International Security and Scientific Affairs that it costs Turkey $9,000 annually to maintain and equip one Turkish soldier. Thus the cost to Turkey in 1984 for its 35,000 occupation troops in Cyprus was $315,000,000.

According to the International Institute for Strategic Studies (London) the Turkish Cypriot administration's total budget for 1988 was $138,000,000 of which Turkey provided $75,900,000. This consisted of $46,000,000 of direct aid and $29,900,000 in credits.

Third, we recommend in the interests of the United States a further reduction in aid to Turkey by the amount it costs to maintain Turkey's Army of the Aegean and landing craft aimed at Greece's Aegean islands. That army consisting of an estimated 125,000 men is not part of NATO's forces and was created specifically to threaten Greece.

Thus all U.S. military aid to Turkey of $500,000,000 (plus $3,000,000 IMET) and economic aid of $60,000,000 goes to support Turkey's illegal occupation of northern Cyprus and to finance (in part) Turkey's Army of the Aegean which threatens Greece's Aegean islands.

But this is not all. A substantial portion of Turkey's remaining armed forces of approximately 490,000 (650,000 minus 35,000 in Cyprus and the 125,000 Army of the Aegean) is used to suppress Turkey's 10,000,000 Kurdish citizens.

Fourth, Turkey by its actions in Cyprus and in Turkey is in violation of the human rights Sections 116 and 502B(a)(1) of the Foreign Assistance Act of 1961, as amended, and therefore is ineligible for assistance.

Fifth, in view of the above and the momentous events in Eastern Europe and the Soviet Union, and the arms reduction talks, we urge a critical review of U.S.-Turkey relations.

Whatever value Turkey was to NATO and U.S. interests before these events, which we believe was minimal, has been reduced to the vanishing point. Even Turkish newspapers and certain opposition leaders have acknowledged the reduction in Turkey's value to the defense of the West.

As mentioned to Mr. Lehn, the First position stated above stands by itself and is not conditioned on support of the Second through Fifth positions.

I am sending copies of this letter to the President, the Secretary of State and congressional leaders.

Warmest regards.

Sincerely,

Gene

Eugene T. Rossides

Denktash too long the spoiler in Cyprus

Once again, United Nations Secretary General Javier Perez de Cuellar has invited the Cyprus protagonists to the table, and once again one of the parties involved has chosen not to make so much as a nibble.

The refusal to budge by Rauf Denktash, leader of the so-called Turkish Republic of Northern Cyprus, goes beyond stubbornness. Cyprus's trouble has festered too long. His inaction seems calculated to make it worse.

The Turkish-occupied part of the Mediterranean isle, in fact, is no longer a place where Turkish Cypriots feel comfortable. Altogether, 30,000 of them have left since the 1974 invasion, many of them out of a concern that large numbers of immigrants from Turkey are turning northern Cyprus into an extension of a backward mainland.

Northern Cyprus poses more problems than mere culture clashes, Turk vs. Turk or Turk vs. Greek. The territory is beyond the reach of Interpol and of international law. European police strongly suspect it is a haven for drug processing and distributing, gun running and stolen antiquities dealing.

But for the Denktash clique and the new settlers he has eagerly enfranchised, the current arrangement works just fine. which is why he could blithely dismiss the promising framework for a settlement and guarantees for Cyprus's Turks and Greeks.

Mr. Perez de Cuellar can be counted on to keep chipping away at the Denktash obstructions, but he's not likely to produce a breakthrough until Turkey, the only country on the planet to recognize the Denktash "regime," comes to understand its folly.

Ankara already is on notice its application to join the European Common Market and thus invigorate its sluggish economy doesn't stand a chance unless it helps to work for an amicable settlement for Cyprus. No one wants to see Turkey banished from the Western club, cut off from our trade and aid, but what will it take to produce a sensible attitude on the Cyprus problem?

The Atlanta Constitution

Mr. Obey. All right. Thank you very much.

Wednesday, April 4, 1990.

CARE

WITNESS

JANE FREEMAN, MEMBER, BOARD OF CARE

Mr. Obey. Next is Ms. Orville Freeman, Member, Board of CARE.

Good morning.

Ms. Freeman. Thank you, Mr. Chairman. I am Jane Freeman, and I am delighted to be here on behalf of CARE. I appreciate the opportunity again to testify before this committee.

As you know, CARE views itself as part of a global, non-governmental movement which believes that the greatest threats to international security are poverty, hunger, ignorance, and injustice. We thank the Congress for its recognition of the vital role of the U.S. non-governmental organizations in international development and reconstruction.

CARE is one of the largest of the NGOs, which has a strong base of private support and works in partnership with the Agency for International Development in a number of developing countries.

I had a special opportunity in January and March of this year to visit some of CARE's projects in Bangladesh and in India. In Bangladesh I visited with a number of rural destitute women who were landless and who, for the first time, were earning a wage for maintaining earthen roads in and around their villages.

Nationwide, there are about 66,000 such women participating in this road maintenance project. Believe me, if you can imagine.

But the income that they get is absolutely essential toward purchase of food for the family diet and the education of their children. The maintenance of these roads keeps vital transportation and commerce links open between the national network of roads and the tens of thousands of villages which are serviced by these earthen roads.

The important work of these women reduces the constant need to repair the roads after each monsoon season. This project was started by CARE and local communities in 1984 on an experimental basis with funds that were provided by USAID, and then it was later expanded to its present size with large assistance from the Canadian International Development Agency and by a contribution from the communities benefiting from the project, even though they are very poor ones. It was a good example of people working to feed themselves and their children and also performing an important community service.

And then in Orissa in Southern India I visited the Indian equivalent of headstart centers, known there as the Integrated Child Development Services centers. These centers offered a variety of support and assistance: supplementary nutrition, health examinations, primary health care referrals, immunization, nutrition and health education, and non-formal pre-school education—a truly integrated program.

In cooperation with the Government of India and in ten Indian states, AID has assisted CARE-India in reaching about 8 million people each day at these centers with supplementary food. Each child receives a tiny daily ration of three ounces in a little tin bowl of what looked like a breakfast cereal—an enriched cereal. The children who are suffering third- and fourth-degree malnutrition get a double supplement, and pregnant women and lactating mothers.

It is such a tiny amount, and yet it makes the difference between life and death for these children.

CARE monitors the provision of this supplementary nutrition component through its network of competent staff and works in coordination with the ten-state government. This, as we know, is absolutely necessary—this kind of monitoring—to be sure that the food gets to the people who need it most.

By the year 2000 the Government of India's objective is to have an ICDS center in every administrative block in the country. These centers that I visited in the ten states that CARE works in were in villages that were, by any standards you could imagine, impoverished. They were well-attended and overcrowded.

I was truly impressed by the directors of these centers and their community supporters. They were contributing their time and money and all kinds of special extra facilities to make these centers operative. Their devotion was truly exemplary.

I think that, again, these personal experiences are what made me feel we had to come and urge you to continue your support of NGO efforts to secure funding for improving the development impact of the food aid program—particularly for planning, evaluation, and the building of that local capacity.

We appreciate the fact that last year this committee specifically requested funding for food aid enhancement and development grant programs, and we urge that you again support these food aid grants at a level of $10 million for fiscal year 1991.

In addition, Mr. Chairman, I am convinced that we have great opportunity to enhance the developmental impact of our development assistance funds and our food aid resources when we really integrate their use. I saw this in Bangladesh where hundreds of thousands of rural, landless men—particularly in the off season—received wheat instead of wages for repairing monsoon damage to urban roads. To this effort AID provides funds for the construction of culverts and small bridges so as to reduce the recurring damage to the road system.

We saw what had been mere footpaths strengthened so as to be usable by bicycles and rickshaws and even those little three-wheeled bush taxis. You cannot believe what people manage to carry on these very simple roads. It is their chief link to society, in general, and to any market.

Centrally-funded child survival programs and cooperative development programs and matching grant food aid program support grants are all funded out of AID's Office of Private and Voluntary Cooperation, as you know. The funds provided through this office are usually highly leveraged by the NGOs for projects that also include the goal to increase capacity and competence to manage development programs.

So, as we did in 1989 and in 1990, CARE again requests this committee to fund this office at $60 million for fiscal year 1991, with $10 million designated for food aid program support grants, half of which we hope will be made available for innovative programs in that very needy sub-Saharan African area.

We also request that no less than $15 million of the child survival fund be administered through that Office of Private Voluntary Cooperation to support the child survival programs of NGOs like ours, as this committee requested in the past.

We know that during this time of budget constraint that the steps this committee has taken to protect those people-to-people programs have been extremely important and we appreciate them.

We strongly support also those facets of our international assistance program which improves the health and economic condition and opportunities of women. There are many women working and benefiting in those micro-enterprise credit programs which have strong support here in Congress. On my trips to Bangladesh and India I saw many examples of women who, given the opportunity, were making significant improvements in their lives and the lives of their families by learning new ways to make and save a bit of money.

Many of CARE's projects throughout the developing world also involve mothers and children. We appreciate the emphasis that you have put on funding for women and children. We want you to know that CARE's major commitment in the future is in health care and needs of children and mothers and in voluntary family planning.

Finally, may I suggest that we believe that foreign assistance account—there is much that could be done to secure a greater regional balance, as well as a better balance of the distribution of the limited resources. To that end, we recommend that 10 percent of the economic support fund requested for Israel and 5 percent of that requested for Egypt for fiscal year 1991 be transferred to the development assistance account and to the development fund for Africa for use in countries that are striving to serve the needs of the poorest of the poor.

We believe that in the NGO community and in the public, at large, there is strong support for this shifting and this new emphasis, and that you will be thanked by the people of our country for making the emphasis.

Thank you very much for your time.

[The prepared statement of Ms. Freeman follows:]

CARE

Washington Liaison Office

OFFSET
CAMERA COPY

TESTIMONY OF MRS. ORVILLE FREEMAN

MEMBER OF THE BOARD OF DIRECTORS OF CARE

BEFORE

THE FOREIGN OPERATIONS SUBCOMMITTEE

OF

THE HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 4, 1990

2025 Eye Street, N.W., Suite 1001 Washington, D.C. 20006 (202) 223-2277

Mr. Chairman, thank you for holding these hearings. I am Jane Freeman, a member of the Board of Directors of CARE, serving on its Executive Committee and as Co-Chair of its Public Policy Committee. I first joined CARE as the representative to its Board from the Girls Scouts of the United States of America. I appreciate the opportunity to testify today on behalf of CARE.

CARE increasingly views itself as part of a global non-governmental movement which believes that the greatest threats to international security are poverty, hunger, ignorance and injustice. We are proud that the new government in Poland grew out of a non-governmental organization, viz., Solidarity, with major support from our own AFL-CIO. We thank the Congress for its recognition of the vital role of the U.S. non-governmental organizations in international development and reconstruction. CARE is one of many U.S. NGOs which, in addition to its strong base of private support, works in partnership with the Agency for International Development in a number of developing countries.

In January and March of this year, I had an opportunity to visit some of CARE's projects in Bangladesh and India (Orissa). In Bangladesh I visited with a number of rural destitute, landless women who for the first time were earning a wage for maintaining the earthen roads in and around their villages. In fact, nationwide there are 66,000 such women participating in this road maintenance project sponsored by

CARE. Much of the income these women earn goes toward the purchase of food, the improvement of family diet, and the education of their children. The maintenance of the roads keeps vital transportation and commerce links open between the national network of roads and the tens of thousands of villages serviced by earthen roads. The important work of these women also reduces some of the sisphyian aspects of repairing the roads after each monsoon season. This project was started by CARE and local communities in 1984 on an experimental basis with funds provided by the Agency for International Development. It was later expanded to its present size with assistance from the Canadian International Development Agency and a contribution from the communities benefiting from the project.

In Orissa (India), I visited the Indian equivalent of headstart centers, known as the Integrated Child Development Services (ICDS) centers. The services offered at the ICDS centers are supplementary nutrition, health examination, primary health care referral, immunization, nutrition and health education and non-formal pre-school education. In cooperation with the Government of India, the Agency for International Development and ten Indian State Governments, CARE-India reaches about 8 million children attending ICDS centers daily with supplementary food. Each child receives a daily ration of slightly less than three ounces; the ration is doubled for those children suffering from third and fourth degree malnutrition. A similar double ration is also given to pregnant and lactating women. CARE monitors the provision of this supplementary nutrition component of the ICDS program through its network of competent staff and in coordination with the ten state governments.

By the year 2000, the Government of India's objective is to have an ICDS center in every adminstrative block of the country. The ICDS centers I visited were in villages which by any known standard would be classified as impoverished. The centers are well attended, often overcrowded, but I was truly impressed by the center directors and community supporters I spoke with who were contributing in time, kind, and money to the centers. I mention these personal experiences, Mr. Chairman, because in the past you and the members of this Committee have supported NGO efforts to secure funding for improving the development impact of food aid programs, particularily for planning, evaluation and the building of local capacity in the Sub-Saharan countries of Africa. The need for these funds still exists. Last year, my husband, Governor Orville Freeman made this point in his testimony presented on behalf of CARE before the House Select Committee on Hunger:

"There is an increasing need for dependable, multi-year dollar funding for NGOs to improve the development impact of Title II programs, do feasibility studies, and carry out long and short term evaluation. NGOs cannot be expected to operate developmentally sound or logistically consistent food programs without multi-year commitments of food and dollar funding. Without these commitments, programs suffer and the intended beneficiaries and our counterparts pay a price. Surely, this modest investment in the effective planning and management of over $600 million in food aid resources is needed, reasonable and wise."

Last year, this Committee specifically requested funding support for food aid enhancement and development grant programs. We would ask that the Committee again support these food aid grants at a level of $10 million for FY 1991.

In addition, Mr. Chairman, I am convinced that we have a great opportunity to enhance the developmental impact of our development assistance funds and our food aid resources when we begin to integrate their use. I saw this in Bangladesh where hundreds of thousands of rural landless men receive wheat instead of wages for repairing monsoon damaged earthen roads. To this effort, AID provides funds for the construction of culverts and small bridges so as to reduce recurring damage to the same road system.

During fiscal year 1989 and again in fiscal year 1990, CARE requested the Committee to encourage the funding of the Office of Private and Voluntary Cooperation of AID at the level of $60 million. Centrally funded child survival programs, cooperative development programs, matching grant and food aid program support grants are all funded out of this office of AID. Funds provided through this office to non-governmental organizations are usually highly leveraged by the NGOs for projects that also include the goal to increase local capacity and competence to manage development programs. We request the Committee to fund this Office at $60 million for fiscal year 1991, with $10 million designated for food aid program support grants, half of which should be made available for innovational programs in Sub-Saharan Africa. We would also request that no less than $15 million from the Child Survival Fund be administered through PVC to support the child survival programs of NGOs as this Committee has requested in the past. During this time of budget constraint, we are well aware of the steps this Committee has taken to protect the people-to-people programs of NGOs. We recognize and deeply appreciate the continuing interest and support of this Committee.

Mr. Chairman, CARE strongly supports those facets of our international assistance program which improve the health and economic condition and opportunities of women. There are a significant number of women benefiting from the microenterprise credit program which has strong support from the Congress. On my recent trip to Bangladesh and India, I saw many examples of women, given the opportunity, making significant improvements in their lives and the lives of their families. In addition, many of CARE's projects throughout the developing world involve some level of primary health care. Here our focus is on mothers and children. We have been working with parents and local communities to improve the potential and the quality of lives of children and mothers long before the child survival revolution had a name. However, we feel that more attention needs to be directed to the critical role of women and mothers in this worldwide effort--especially on improving the health of women and girls specifically. In addition to other health interventions in the decade ahead, CARE will lay greater emphasis on providing family planning and reproductive education to the many women who are desparately seeking such information.

Mr.Chairman, we would also like to express to you and to this Committee our appreciation for your commitment and support of women in development. We would ask that you continue to fund women in development at no less than $5 million in FY 1991. We know that you will be just as pleased as we when we tell you what a difference both the legislation with its strong report language and the funding has made over the past two years in U.S. assistance programs for women in development. More positive action has taken place in the past 18 months than in the previous ten years--we are particularly encouraged at this point at these signs of real progress at AID. Your continued attention to and interest in this area remain of great importance.

Mr. Chairman, CARE encourages the Committee to support an appropriations level for the Development Fund for Africa at not less than $900 million for FY 1991, including strong Committee reaffirmation of the three areas targeted for special attention and allocations of at least 10 percent of the Fund for each of the following areas:

1. maintenance of the natural resource base and agricultural activities which directly support this purpose,
2. health, with special emphasis on the needs of children and mothers, and
3. voluntary family planning.

At such time as this Committee considers appropriations for the next IDA replenishment, we urge the Committee to encourage the World Bank to accelerate its efforts to operationalize several proposed policy changes with respect to the world's poor:

1. All IDA recipient governments should have poverty eradication strategies developed through open and thorough consultation with non-governmental organizations in their respective countries.

2. All IDA loan proposals, and especially those submitted to carry out economic policy reform, should include supporting documentation indicating the short and medium term impact on:

a. the incomes of the poor and their to land and other productive assets.

b. the access by women to basic health services and young people to education.

c. the quality and delivery of essential social and technical services, including programs of primary health care, nutrition, credit and training.

IDA loan proposals which would weaken any of these areas should be changed so as to have a measurable, positive effect on the poorest segment of the borrowing countries' population. As well, Mr. Chairman, we would question whether it is appropriate for IDA funds to be used for debt servicing or for structural adjustment as it is doubtful that either of these uses benefits or serves the interests of the poor. In fact, all too often it has been found that these uses have had a particularly negative impact on the lives of the poor--especially women and children.

The role of the World Bank in international development is a matter of record. However, we believe its commitment to and implementation of stronger poverty alleviation measures in its IDA lending program are essential and appropriate. We feel there is a great deal this

Committee can do to encourage the World Bank, the International Monetary Fund and the Regional Development Banks to apply and operationalize their poverty alleviation policies more vigorously.

Mr. Chairman, we have observed, with some admiration, the manner you and this Committee have attempted to balance competing requests for limited funding for international assistance while seeking to reduce the federal deficit and respond to important domestic needs.

Even with limited funding for the foreign assistance account, there is still much that can be done to secure a greater balance in the distribution of limited resources in favor of programs that address basic global security problems such as poverty, ignorance, food insecurity, and environmental degradation.

Additionally, there is still much that can be done to obtain greater regional balance in the distribution of limited resources in favor of those countries with high infant mortality rates, inadequate caloric intake, low per capita income and crushing debt problems.

Concretely, we would recommend that 10% of the Economic Support Fund (ESF) requested for Israel and 5% of the ESF requested for Egypt for fiscal year 1991 be transferred to the development assistance accounts and the Development Fund for Africa for use in countries that meet the poverty criteria established by the International Bank of Reconstruction and Development's Civil Works Preference List, i.e., those countries with annual per capita incomes of $545 or less.

Both Israel and Egypt have the capacity, competence and experience to assist the poorer developing countries with technical assistance in the fields of agriculture, land reclamation and rural development. For many years, CARE has worked closely with the Governments and people of Israel and Egypt, including the Palestinians, in social sector, vocational training and economic development programs, and we applaud their efforts to provide technical assistance to developing countries; however, we are deeply concerned with reported military assistance from Israel to Ethiopia as hundreds of thousands of people in that region are again faced with starvation and death. Hopefully, Israel will be able to identify other means of assisting Ethiopia and its people and join with other countries in seeking a peaceful resolution to the general conflict situation in the Horn of Africa.

Mr. Chairman, we believe that there is broad based support in the NGO community for this new emphasis. We believe that most Americans, if asked, would support such a shift in emphasis in our international assistance program. Thank you once again for giving us this opportunity to testify befcre your Committee. I'll be pleased to answer any questions.

We would like to submit the following recommendations, many of which were submitted last year but are just as critical now as they were then:

RECOMMENDATIONS

1. That the Committee begin to restore the pre-1978 balance between development and humanitarian assistance and military-security assistance.

2. That the Committee adopt the following set of foreign assistance goals as criteria in the appropriation of the 150 Account:

   a. The promotion of equitable development, including the alleviation of the worst physical aspects of poverty and of the conditions causing poverty.

   b. The fostering of the capabilities of developing countries that will enable them to achieve greater economic self-reliance and to participate equitably in the international economic system.

c. The promotion of improved environmental, natural resource, and agricultural management to enable developing countries to achieve environmentally and economically sustainable patterns of development.

d. The encouragement of development processes in which political, social, and economic rights and pluralism are promoted.

3. That the Committee consider adopting clear standards of accountability consistent with the execution of these goals and scrutinize all titles of the 150 account with respect to goal accomplishment.

4. That, as the security most of the developing world's poor seek is economic, social, and food security, at least 50% of our foreign aid appropriation should address these types of security issues.

5. That the Committee continue to urge the Treasury to incorporate progress in alleviating poverty as a major criterion in macro-economic adjustment lending where the alleviation of poverty is a fundamental part of development and adjustment and not just an eventual consequence.

6. That the Committee urge the Treasury and the State Department to adopt as policy the guidelines for structural adjustment lending that were agreed to by the major donor nations of the development assistance committee of the OECD:

a. Designing programs to insure the cushioning of the impact of structural adjustment plans on vulnerable groups, particularly women and children.

b. Improving the design and delivery of public services to poor people, with an emphasis on financial and institutional sustainability and local community involvement.

c. Supporting policies which promote widely shared growth.

d. Strengthening the productive role of the poor in the economy.

e. Strengthening the arrangements for consultation, coordination, and monitoring among multi-lateral and bilateral donors, developing country governments, and NGOs.

7. That the Committee urge the Treasury to advocate policies that include, as criteria for the evaluation of the multi-lateral development bank lending programs, fundamental measures such as child mortality, caloric consumption, and literacy, all disaggregated by gender.

8. That the Committee support the funding of the Office of Private and Voluntary Cooperation (PVC) at $60 million for FY 1991 in order to maintain PVC's current program levels in child survival, cooperative development grants, development education, matching grants, and food aid development grants.

9. That the Committee support funding the food aid development grants administered through PVC at $10 million for FY 1991.

10. That the Committee continue its support of a level of not less than $15 million from the Child Survival Fund for NGO programs administered by PVC.

11. That the Committee support not less than $225 million from all relevant accounts as the target that the U.S. sets for itself for FY 1991 child survival activities.

12. Because of the very positive impact of the Committee's actions in women in development in both FY 1989 and FY 1990, we ask that, at a minimum for FY 1991, that the Committee retain the women in development provisions that were included in the FY89 and FY90 Appropriations Bill, including not less than $5 million for AID's Women in Development program.

13. That the Committee maintain support and funding for the UN Development Fund for Women (UNIFEM) and the International Training and Research Institute for the Advancement of Women (INSTRAW).

Mr. Obey. Thank you very much. We appreciate it.

Wednesday, April 4, 1990.

FRIENDS OF THE EARTH

WITNESS

BRENT BLACKWELDER, VICE PRESIDENT

Mr. Obey. Next we will hear from Friends of the Earth, Brent Blackwelder.

Mr. Blackwelder. Once again, Mr. Chairman, we appreciate the opportunity to testify. This year I am Vice President of Friends of the Earth. We are a merged organization with the Environmental Policy Institute and the Oceanic Society. That merger is now completed. It was underway last year when I spoke to the committee.

Today my testimony is being presented in behalf of the Sierra Club, the National Wildlife Federation, Earth Island Institute, and Greenpeace. We made some effort to try to consolidate our presentations so you would have fewer separate, individual statements. As a result, we have a 35-page testimony. Even then, we could not touch on all the topics that we had hoped to. I will simply cover a few of the major points today.

At the outset I would like to tell you that we have been very pleased with the cooperation that we have had with the Treasury Department's multi-lateral development bank office over the years. This has gotten to be a much stronger and more productive relationship, and it continues to grow. I think the U.S. has been taking an exceptional lead in trying to carry out the environmental directives which the Congress has provided. The real problem lies with other donors and their executive directors to the World Bank for some of the lack of progress that we see.

Also, with respect to the Agency for International Development, we have an excellent relationship with AID's Early Warning Office. We think that has been one of the most productive features that Congress has approved. We appreciate the committees having supplied money to that office, and we would hope that additional money would be provided for both of those efforts because they have been so successful but they are faced with a huge workload. About 500 multilateral development bank projects annually worth about $30 billion are coming before Treasury's MDB office, and it is impossible to get a real handle on those with the small staff they have.

As we look towards the World Bank, I want to simply give you a little summary of where I think we have come since the campaign began in 1983. We have been pleased with the establishment of an Environment Department, and in many areas having strong environmental policies put in place. But the real problem lies with the actual projects that continue to come out of the pipeline.

Last year I would say the energy lending was as bad and environmentally destructive and counterproductive as we have ever seen it. Less than 5 percent of the loans were for energy conservation and efficiency, despite the fact that those could be put in place rapidly and have a payback of four to six times the investment in any kind of fossil fuel or big hydro-development. They would ease the debt burden because of their rapid turnaround. Despite all of these economic advantages, the Bank does not seem willing to move forward in that area with the tremendous opportunities ahead to make these countries energy efficient.

As we look at tropical forests, the Bank has been funding and sponsoring a tropical forest action plan. We thought that initially had some promise, but all the evidence we have to date is that this program is turning into simply an engine to accelerate tropical deforestation. I would like to provide as evidence of that the comments on the discussions alone to the Ivory Coast and the forestry sector—comments from AID and from our executive director to the Bank—for the committee's records. You will see how critical they are of this, and the Ivory Coast is not an exception.

Almost every single tropical forest loan now pending for Africa will continue the deforestation on that continent. So, instead of being a solution to these most serious natural resource crises which are fueling the hunger and the poverty, the World Bank is actually an engine that is driving it.

As we look again at the area of pesticide use and sustainable agriculture, here again the World Bank could be an important tool in turning around this tragic situation where we find up to 5 million people in developing countries poisoned by misuse of pesticides. These are World Health Organization and UNEP estimates—a tragic situation.

The World Bank put in place a good pesticide policy on paper, but the latest report we have reviewing 24 representative projects indicates that these guidelines and this policy was not really followed on the ground and that, despite their intention of reducing alliance on chemical pesticides, we have in Egypt a second agricultural development project anticipated to lead to a nine-fold increase in pesticide use; in Mexico a second loan would support a 16-fold increase in pesticide spending. These are going in the opposite direction of sustainable, low-input agriculture that could really produce the maximum amount of benefit to these countries.

So in every single area that we have focused attention on for the past seven years we are not seeing the progress we should be seeing. On the contrary, we are seeing things headed in a worst direction.

I wish I could be here saying to you, "Gee, things are getting better." I hate to sound these terrible notes, but this is simply the truth. Something has got to be done. It is just a tragic situation we are getting to.

Let me turn to a couple of other items.

May I ask, since I am testifying for two slots, if I am limited to the 5 minutes or if it is 10.

Mr. OBEY. You are down for five minutes.

Mr. BLACKWELDER. I thought I had two slots.

Mr. OBEY. No. You had another person testify earlier.

Mr. BLACKWELDER. All right. So I will move rapidly.

On page 31 of our testimony we provide some commentary on the biological diversity program which the committee has funded. This is one area where we think we——

Mr. Obey. Let me stop you a second. I will not take this out of your time.

Are you testifying on behalf of the Wildlife Federation also?

Mr. Blackwelder. Yes, I am.

Mr. Obey. Is Lynn Greenwalt going to be testifying or not?

Mr. Blackwelder. No, he is not.

Mr. Obey. I see. Well then I'm sorry. You do have that time.

Mr. Blackwelder. All right. I will not take all of that, but I will move through about three or four more points.

As we look at the biological diversity program which the committee has funded—and we think it is off on a good track—we put into the statement on page 31 some very serious problems with the AID program in the Asia and Near East Bureau, and a memo in which they are trying to undercut this program has come to our attention. In particular, they are saying "AID is not an environmental agency but it is an economic development agency." This indicates a fundamental misconception of the integral relationship between environment and the economic wellbeing of countries.

And they propose to aid Thailand to work "on a range of urban central plains water policy issues and to leave marine fisheries and timber management to other players." This would absolutely sabotage a very promising AID biological diversity program in Thailand, so we hope some attention could be drawn to this effort by one office to undercut a program which we believe the new administrator is strongly supportive of, as we read his confirmation testimony.

As we go to the international organizations and programs account, we are urging this year an appropriation of $20 million for UNEP, perhaps in this decade, as was done last year, some indication of a stable commitment of perhaps $100 million for a five-year period so that some long-term staff could be added to that organization.

We think that the UNEP initiatives in producing the Montreal Protocol were outstanding and is evidence of the worthiness of the agency.

We support appropriate levels of funding for the International Tropical Timber Organization, and we think the World Heritage Program ought to be increased. One reason is that there is an opportunity in Eastern Europe for significant efforts to save the cultural and natural heritage of those countries, which may be among the most polluted in the world.

In that connection, we provide a section of our testimony about the proposed European Development Bank. Here is an opportunity to provide the bank with a very strong environmental mandate. There could be no other spot in the world where the evidence of environmental deterioration and pollution having a devastating economic toll can be found. As you look at life expectancy in Poland, for example, you find it is at levels below where it was in 1960. The levels of contamination are so severe that the majority of the water is not even fit for industrial cooling purposes.

The proposed European Development Bank could make a major difference, but it should not be rushed through and should have a very sound environmental charter. We hope that the directives and initiatives and funding for the environmental components of the authorizing legislation would be forthcoming.

I want to touch on the international monetary fund. Last year conservation organizations launched an initiative—which we thought was fairly successful—to raise environmental issues with the international monetary fund. At first they resisted, saying they were operating at a very high macro-economic level and that their structural adjustment lending really had nothing to do with environment. Now it appears, as a result of the language you provided in your report last year and other authorizing legislation that was passed, that we have the opportunity for an environment unit within the IMF and the ability of the IMF to look at the health, poverty, and environmental impacts of structural adjustment lending.

We hope that an additional encouragement could be provided in this line. Our discussions with U.S. Executive Director Dawson have been most beneficial, and he is enthusiastic about pursuing and carrying out these directives.

We are also appreciative of the efforts on the national incomes accounts and gross national products to factor in environmental damage in this regard. I think that this is really important because traditional calculations do not really show the well-being of a country. A country could chop down all of its trees and show a great gross national product for one year but would have mortgaged and destroyed its future.

So any additional support in report language for this initiative would be greatly appreciated.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Blackwelder follows:]

FRIENDS OF THE EARTH℠
Environmental Policy Institute
OCEANIC SOCIETY

STATEMENT OF DR. BRENT BLACKWELDER, VICE PRESIDENT OF FRIENDS OF THE EARTH, CONCERNING FY 1991 APPROPRIATIONS, BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS, APRIL 4, 1990

PRESENTED ON BEHALF OF:

Earth Island Institute
Friends of the Earth
Greenpeace
The National Wildlife Federation
The Sierra Club

218 D Street SE
Washington DC 20003
202-544-2600
202-543-4710 (fax)
650-192-5483 (telex)
foeoc (EcoNet ID)

printed on recycled paper

Index: Page:

1. Introduction 2

2. World Bank

   A. In General 2
   B. Environmental Impact Assessment 2
   C. Environment Fund 3

   D. Tropical Forestry Action Plan

      1. Background 3
      2. Recommendations 6
      3. Guinea Case Study 7

   E. Population

      1. Introduction 9
      2. World Bank Population Programs 9
      3. IDA Programs 12

   F. Pesticides and the MDBs

      1. In General 12
      2. Sustainable Agriculture 15

3. African Development Bank 17

4. Inter-American Development Bank 17

5. Asian Development Bank 18

6. Bank for European Reconstruction and Development 18

7. International Monetary Fund 21

8. Treasury MDB Office 25

9. Agency for International Development

   A. MDB Office 26
   B. Population 26
   C. Biodiversity Program 29
   D. Support for Eastern European Democracy (SEED) 33

10. Other International Organizations and Programs 33

11. GNP and National Income Accounts 34

1. INTRODUCTION.

This comprehensive statement has been written by and is being presented on behalf of the national environmental organizations listed on the cover page.

2. THE WORLD BANK.

A) General Progress on Environmental Reforms at the World Bank:

The Bank is beginning to make changes with the establishment of the Environment Department and the growing recognition of the importance of involving local people throughout the planning process. The question is whether change is coming fast enough and whether the Bank is really serious about improving the quality of its loans to ensure sustainable development and protection of the natural resource base of the developing countries.

B) Environmental Impact Assessment:

We are very pleased to report that late last year the Congress passed legislation requiring the MDBs to provide our Treasury Department with an environmental impact assessment (EIA) of proposed projects at least 120 days prior to the project coming to a vote. The law also requires that the EIA, or a "comprehensive summery," be made available to the public at the same time. If these provision of the law are not carried out by the Multilateral Development Banks (MDBs), then the U.S. is barred from voting in support of the project.

In response to this forthcoming law, the World Bank adopted Environmental Assessment Procedures just in time for its September annual meeting in Washington. We are sorry to report that the Bank drafted and adopted the EA procedures without any public review or comment. No document more deserved public participation in its creation than the EA Procedures.

While we are glad to see the adoption of EA Procedures, we are disappointed with its shortcomings. For example, consideration of global environmental impacts is explicitly excluded from the EA policy, despite the Bank's newly-stated position that global environmental issues are of critical importance. Similarly, structural and sector adjustment lending -- arguably the most important areas of the Bank's operations -- are categorically excluded from EA requirements. Moreover, the Bank's policy fails adequately to guarantee public participation in the EA process and public access to EA documents -- basic components of internationally accepted practice on environmental impact assessment. The public participation requirements in the EA directive, particularly as they apply to the supposed beneficiaries of Bank lending in borrowing countries, must be considerably more specific to achieve the desired goal. Moreover, the Bank's policy on environmental assessment should be extended to include projects that are purportedly beneficial to the environment, including projects under the rubric of the Tropical Forest Action Plan. We urge this Committee to press for these changes in the Bank's EA policy.

C) Global Environmental Fund:

In February of this year the World Bank released a paper to the U.S. Executive Director which proposes the establishment of a global environmental fund. While we are very pleased to learn of the Bank's interest in establishing such a fund, we have grave doubts about the Bank's ability to administer such a fund without some fundamental changes in current Bank policies being implemented. Not only did the Bank not consult with NGOs in the design of the proposal, but, as far as anyone can tell, no one was consulted, not even key environmental staff at the Bank and certainly not the borrower or donor countries.

As this Committee knows, the World Bank responded to growing pressures for action on the problem of global warming by suggesting that a special fund be established at the Bank to deal with the problem. When the money was not forthcoming, the Bank felt it had the perfect excuse for washing its hands of any further responsibility.

We wonder if the Bank is planning on using the same tactic in proposing a global environment fund. Is this the Bank's way of trying to get out from under its environmental responsibilities? We hope not. The Bank must harmonize its lending program with its stated environmental objectives. The proposal repeatedly emphasizes that environmental funds would be provided in addition to existing Bank funds. A separate fund for the environment, while a very desirable and much needed idea, might be the wrong solution for the World Bank. Environmental concerns can not be relegated to a separate place in the Bank's operation but must be an integral part of its overall operation.

D. The Tropical Forestry Action Plan:

1. Background.

Some background on the Tropical Forestry Action Plan is in order.

The Tropical Forestry Action Plan began as a joint project of the World Bank, the World Resources Institute (WRI), the United Nations Development Program (UNDP) and the Food and Agriculture Organization (FAO) as a means to call world attention to the seriousness of tropical deforestation, and to mobilize financial and human resources to combat it.

The Tropical Forest Action Plan founding document, published in 1985, Tropical Forests: A Call for Action, identified the spread of agriculture, including both crop and livestock production, as the single greatest cause of forest destruction. Rural poverty, skewed land distribution, low agricultural productivity, and rapid population growth were also identified as critical contributing causes.

WRI, the World Bank and UNDP proposed a system to address the multiple causes of deforestation in a global process of individual-country policy reviews coupled with multilateral development bank (MDB) and bilateral aid agency investments of $8 billion in five years, from 1987 - 1991. However, while deforestation is identified as stemming from a number of complex and interacting causes, four of the five investment areas identified by the Plan are for forest operations.

TFAP operational guidelines specify a series of in-country, multi-sectoral meetings that each participating country is expected to complete during the TFAP process. These were to be led by country planning departments or another high-level ministry and were to incorporate all relevant sectors, including agriculture, social services and non-governmental organizations (NGOs). However, as the Tropical Forestry Action Plan has evolved, NGOs and non-forestry sector agencies were and are rarely included as full players in the discussion process.

What began as a potentially worthwhile initiative to coordinate international lending for countries with tropical rainforests, is now revealing itself as a serious threat to the existence of the world's remaining tropical forests. Under the TFAP umbrella, billions of dollars will be poured into investment plans that represent first and foremost the traditional approach to forest exploitation. By concentrating on the promotion of export-oriented timber industries, this approach constitutes an incentive for an acceleration of logging activities. While criticizing British government support for the TFAP in February 1990, Prince Charles succinctly summarized the TFAP as a plan "which did not look beyond chopping down trees". Recent evidence gathered by environmental organizations confirms this basic assessment.

Early criticism in 1986 of the TFAP process by Third World NGOs, such as Friends of the Earth (Brazil) and the Malaysia-based Asia Pacific Peoples' Environmental Network (APPEN) remain extremely relevant. The TFAP represents a classical top-down approach, because it was developed in almost complete isolation from local peoples and with negligible input from NGOs. Recent estimates are that between 300 and 500 million people inhabit the world's remaining rainforests. Yet, the TFAP largely ignores the rights and needs of local communities and indigenous forest dwellers and the critical role they play in the conservation of global resources. Recently, even the Director-General of the FAO ordered a review of TFAP process.

In its current form, we believe that the TFAP will greatly accelerate the present rates of deforestation. Through global climate change and the loss of biological diversity, the population in non-tropical-rainforest countries will also be affected by the activities launched under the TFAP umbrella.

While population pressures and poverty contribute to environmental degradation, they cannot be regarded as the root cause of deforestation in tropical countries, which has increased by as much as 90% over the past decade. By blaming forest dwellers for the ongoing destruction of tropical rainforests, TFAP fails to address important causes of current rates of deforestation, such as government policies in Third World nations and internationally financed large-scale development projects. A multi-sectoral review of national land use policies and a more policy-oriented approach will be required to effectively address the root causes of deforestation in tropical rainforest countries.

So far there has been virtually no public access to information on most TFAP programs for individual countries. As a result there has been little participation by NGOs and the concerned public in both recipient and donor countries. Recently, however, several environmental organizations, including the World Rainforest Movement (Malaysia), the Rainforest Information Center (Australia), the World Wildlife Fund International, Friends of the Earth, and the Environmental Defense Fund were able to obtain documentation on individual country TFAPs and related forestry projects for eleven countries in Africa, Asia, and Latin America. The case studies obtained by these organizations confirm that the overall thrust of national TFAPs is to promote the development of commercial forestry and industrial forest plantations.

World Bank forestry sector investments (whether included in the TFAP process or not), heavily favor commercial forest industries projects. These often are road construction and logging projects in primary forests; as one might expect, these projects often bring the greatest amount of economic return in the short run. In such cases, environmental considerations receive short shrift. World Bank forestry sector investments by type in 1988 were (U.S. $ millions):

forest industries: commercial logging and industrial tree plantations
$ 73 : 56.4%
conservation: maintenance of biodiversity and climatic stability
$ 20 : 15.4%

institutions: improved planning, research, training and extension services
$ 12 : 8.9%
forest in land use: tree planting, agroforestry, and watershed protection
$ 13 : 10.1%
fuelwood and energy: conservation, alternative fuels, new resources
$ 12 : 9.2%
$129.8 total.[1]

The Tropical Forest Action Plan currently involves 74 countries that between them contain 85% of the world's remaining tropical forests. Although only nine countries have completed the final planning phase and stand ready for project implementation, it is critical that Bank forestry sector projects that fund road construction or logging in closed primary tropical forest regions and/or involve a relocation of local people without their consultation and an adequate resettlement plan, do not proceed.

2. Recommendations.

An area of great concern to U.S. and foreign environmental organizations is the priority placed in the IDA Ninth Replenishment agreement document on increased IDA support for the Tropical Forestry Action Plan (TFAP), and on a tripling of IDA forestry sector lending between FY90 and FY92. In the agreement, donors "urged IDA to expand considerably its support for TFAP forestry sector reviews and to ensure IDA participation in reviews for those countries with major tropical forest resources."[2]

Because of widespread recognition of substantive inadequacies and difficulties in the development and implementation of the Tropical Forestry Action Plan, we are opposed to increased or unconditional support for the Tropical Forestry Action Plan.

This coalition urges the Committee to recommend a comprehensive review of the development and implementation of Tropical Forestry Action Plan, chaired by the U.S. Executive Director to the World Bank, be undertaken and completed by January 1991. This review should ensure that the TFAP process and project implementation have positive rather than deleterious environmental impacts, and should occur prior to financing of any TFAP projects with IDA funds. The U.S. Treasury should submit a report to Congress on the results of the review by March 31, 1991. Until this review is completed, we encourage the Committee to direct the U.S. Executive Director to the World Bank to oppose all Tropical Forestry Action Plan and/or IDA forestry sector loans.

---

[1]. "Review of International Cooperation in Tropical Forestry," 9th Session of Committee on Forest Development in the Tropics, Rome, Italy, 11-15 September 1989.

[2]. "International Development Association-- Additions to IDA Resources: Ninth Replenishment;" Washington, D.C.; January 1990.

3. Guinea Case Study.

Nine IDA credits for forestry projects in Africa are or will be up for Bank consideration in 1990, and may serve to indicate what we may expect from future IDA Tropical Forestry Action Plan loans. IDA credits for Guinea, the Ivory Coast, the Central African Republic, Zimbabwe, Sudan, Cameroon, Kenya, the Congo and Gabon are under consideration; they will provide at least $310 million in credits.

Therefore, it is worthwhile here to summarize in depth the Guinea Forestry and Fisheries Management project, an IDA credit of $8 million which has already been approved by the IDA. This project reveals the environmental disregard intrinsic to a vast majority of World Bank forestry sector projects.[3]

Once covered by dense forest and woodland, Guinea's forest cover is now comprised of 80% tree savannah, which is generally grassland with scattered clumps of trees, usually of secondary growth. At least 65% of Guinea's original 8,013 sq. miles of tropical rainforests have already been deforested. Official forest reserves in Guinea comprise approximately 1 million hectares of land.

The two largest official reserves, the Diecke and Ziama reserves, are the only remaining reserves of primary rainforest in Guinea; they contain 90,000 and 59,000 hectares respectively. High population growth of 2.8% per year in Guinea has led to a generalized over-exploitation of the land, and to a growing demand for both fuelwood and agricultural land. Encroachment on forest reserves and pressure on open forests is due mainly to land needs for agriculture and grazing.

The Official World Bank description of the objectives of the forest management component of the Guinea Forestry and Fisheries Management project is as follows:

---

[3]. "International Development Association Credit to the Republic of Guinea for a Forest and Fisheries Management Project;" A World Wildlife Fund Review; prepared by David Reed, Policy Director and Jennifer Smith, Program Officer, Multilateral Development Bank Program; November 1989.

- institutional support.
- humid forest protection, management, and silviculture in the Diecke and Ziama forest reserves (106,000 hectares of which is still forested).
- dry forest management in Upper Guinea.

Logging will be a large part of the "management and protection" of the humid forest reserves Diecke and Ziama. "With appropriate protection and management, two thirds of the remaining 106,000 hectares of forest could be used for timber production." [4] In addition, 75 km of roads will be built to serve protection, management, and silviculture, and logging tracks will be built by timber concessionaires where logging is permitted.

The project allows for the logging of up to one half of the last reserves of primeval forest in Guinea while only reforesting 11,500 hectares. The project does not provide any guarantees for sustainability of timber production. The project will build penetration roads around and into the reserves without providing any safeguards against encroachment and uncontrolled logging.

Basic environmental precautions were not completed prior to approval of the Guinea project loan. These include: a survey of natural resources and biological diversity; an environmental impact assessment of the forestry component, particularly of the major roads and logging tracks; a detailed socio-economic survey to identify current uses of the forest by local people and potential future pressures on the forest with and without logging tracks; and a management plan for the forests including a concession policy.

Finally, the project does not address the primary causes of deforestation identified by the Bank itself, namely villagers' needs for new agricultural and grazing land. The forestry component of the project focusses almost exclusively on tropical forests, including intact primeval forests, not on dry forests where deforestation appears to be a bigger problem. The financing of road construction and the opening of forests to selective logging will not arrest or mitigate current deforestation in Guinea; rather, both are likely to increase deforestation.

---

[4]. Guinea Staff Appraisal Report, p. 3.

E. Population and the World Bank:

1. Introduction

Our enormous human population on Earth is now an essential determinant in the survival and health of planetary ecosystems. The North Atlantic Ocean was largely fished out in the 1600's through 1800's. The productivity of the North Pacific is collapsing, and the huge driftnet fleets are now moving on to the South Pacific and South Atlantic. Desertification of Africa continues, as forests are cut for fuel, livestock population is increased to keep up with human population, and marginal soils are forced into production, with relatively short-term (30-100 years length) of expected yields.

Rapidly increasing populations around the world are putting increased pressure on the natural resource base. Growing populations increase demands for resource extraction. There is more demand for oil and coal, forests are cleared to obtain paper and lumber for housing, river valleys and natural areas are flooded by large dams for energy production, wetlands are drained for housing and crops. The increased fossil fuel use and destruction of tropical rainforests is impacting climate cycles. Human population growth has led to increasing toxification of air, groundwater, surface waters, and land. The extinction of species can be attributed to virtually all of the human activities above. Population growth can even spawn natural catastrophes, such as when the increased fuelwood demand leads to the denuding of the foothills of the Himalayas, causing massive storm runoff and floods downstream in the Ganges delta, killing thousands.

Human population growth beyond the environment's carrying capacity is an urgent issue that demands greater attention. And dealing with population growth is certainly a major part in the quickest, most effective and most humane means of solving these pressing natural resource problems.

In this context, we ask you to consider the following recommendation as a vital means to address and solve this problem. All other foreign aid efforts will be made more successful by this initiative, in that the underlying demand for aid will be lessened or have more benefit per person. Other countries are well aware of the connection between sustainable development and population, and the United States should help them achieve their goals to the maximum extent possible.

2. World Bank Population Programs.

We commend the dramatic increase in population funding indicated by Barber Conable's statement to the Board of Governors last September. This near tripling of the funding, to approximately $270 million per year, is a welcome recognition of the importance of this activity of the Bank to the borrowing nations.

This increase in funds will do much to help provide these fundamental family planning services. Even with that enormous increase, however, the funds are inadequate to meet the current needs. Half of all women of reproductive age today do not want more children; but fully half of those women - one quarter of all women of the world of reproductive age - simply do not have access to safe, reliable, affordable birth control. The crisis is immense, and growing by a quarter million more people per day.

Lending for population is not an easy task. We commend the Bank for its early involvement beginning in 1970 and its continued commitment. Population project loans are small by World Bank standards, involving much more staff time per loan and complicated, sensitive work. Also, over half of the dollar amount consists of IDA funds, without the financial repayments to the Bank that other sectors are intended to generate. Population projects may not appear to reflect as well on the traditional indices of Bank evaluation. Yet from a broader perspective, this is one of the most directly beneficial, constructive, and environmentally positive sectors of lending, giving individuals and countries the ability to follow their own economic development path in the best way they see fit. We would like to make the following recommendations on how the Bank programs could be further improved, to truly meet the real and growing need for these fundamental programs. The World Bank's population program is discussed separately from IDA, presented later.

o First, population loans, along with the other projects in the Population, Health and Nutrition Division of the Bank, take a much larger amount of staff time to process than economic loans. Although the Bank staff in this section has grown by 20% since re-organization in 1987, Barber Conable has now recommended a very large increase in project funding over the next three years. This alone would indicate the need for a considerable staff increase to actually review the new projects and put the money to work as soon as possible. Additionally, since this is population funding, the project cycle will need even more staff relative to the size of additional funds than in other areas of the Bank. If the funding is actually to reach those in need, then the staffing levels, upon which so much depends in this sensitive area, must grow as well. It is simply not possible to process more projects in the same time frame, while maintaining the relatively small scale and custom-tailored approaches in each of these fairly unique programs, without more staff. The cost of additional staff does not compare with the cost of delay. Independently of course, because of the human suffering and environmental degradation involved, these loans should be processed in as speedy a fashion as possible. In addition, because we are recommending a large increase in the IDA funding levels, we would hope that the number of projects under review would increase substantially even above the Conable commitment.

o Second, a significant amount of the previous staff expertise in population has been distributed to the country offices as a result of the Bank re-organization of 1987. Those positions were then combined with the other very important functions of health and nutrition in the country departments. Individual staff are now expected to maintain expertise in all three areas at once. Increased funds should be made available for specialized population staff in any country office whose regional vice-president so desires, including potentially all countries in the region. The great range of cultural, religious, managerial and medical expertise needed to design and evaluate effective population projects, particularly in light of their small size and wide distribution within a country, should be given the full attention of dedicated staff positions when needed.

o Third, funding to the entire Population and Human Resources Department in general should be increased until the borrowing requests are being met as fast as possible. Many other factors, such as health and education, are major determinants of fertility. Full funding of the entire Department will also allow each country to design the best program suited to its needs, whatever specific mix of population and other human resources efforts they determine to be appropriate. This is not to imply that countries should be encouraged to borrow from the Bank as opposed to obtaining funds from other sources, which do not increase debt and are discussed below with reference to IDA; but if countries desire to borrow for these programs, there should be no monetary obstacles to such requests.

We would like to ask the Committee to press the Bank to adopt these funding priorities and to directly support further significant increase in both project funding and staff for the Population, Health and Nutrition Division.

3. IDA Programs.

Since the World Bank system began population lending in 1970, IDA has been the preferred lending mechanism for population on the part of the borrowing countries. Countries often cannot financially justify the higher fiscal requirements of the IBRD for these human-investment projects. Over 50% of dollars and projects in the World Bank population division are IDA-funded. Therefore, we support increasing the population program of IDA to help meet current unmet family planning needs through a very substantial increase in the IDA population program funding levels. Supplying more funds to IDA will allow more country requests for population projects to be fulfilled.

The U.S. Executive Director should be directed to urge that the funds spent under IDA be increased until the borrowing countries' needs are met. Related programs such as nutrition, health, and education, especially women's education, which often have integrated project design in the field and equally important effects on fertility levels, should also increase until all requests are being met as soon as they can be properly designed and evaluated. The section is estimated to need up to $1 billion per year for population program funding, and additional funding for increases in health, nutrition and education programs. The program estimate is based on $16 per couple per year cost for 75% contraceptive usage. Again, these lending programs should not pre-empt in any way other, non-debt based assistance if available.

Therefore, in order to meet the current preferred population project needs of the borrowing countries, the Treasury should augment its approval of IDA's expanding attention to population as expressed in the Replenishment Agreement, by supporting increased funding for these programs. We request that the U.S. Treasury work towards an increase in IDA population funding of up to $1 billion per year, with the United States Executive Director taking an active role in assuring the most prompt, efficient increase in the processing of the additional loan requests. IDA is the appropriate forum for these loans, which deserve our full support.

F. Pesticides and the Multilateral Development Banks:

1. In General.

The widespread and deliberate introduction of toxic chemicals into the global environment in the form of agricultural pesticides is fueling a deepening crisis. While pesticide use in developing countries represents only 20 percent of the global market, use is predicted to double in Africa, Asia and Latin America over the next 10 years. Already, developing countries bear a disproportionate burden of poisonings and environmental contamination from pesticides. WHO/UNEP estimates 3.5 to 5 million men, women and children are severely poisoned each year in developing countries due to unintentional exposure to pesticides, and the problem is getting worse.

This Committee has long been concerned that the Multilateral Development Banks (MDBs) promote the overuse and misuse of toxic pesticides in their agricultural development activities.

In 1987 and 1988 appropriations, this Committee called upon the MDBs to take steps that will minimize the use of pesticides in MDB sponsored projects, and make integrated pest management (IPM) and biological control of pests the preferred and priority approach to pest management.

Of all the MDB's, only the World Bank has made significant progress in elaborating the guidelines needed to make an IPM strategy operational. The World Bank's Pesticide Guidelines (OPN 11.01) state the Bank's intent to promote and support IPM in order to reduce reliance on the use of pesticides in Bank agricultural activities. They include 22 operational requirements to be followed in Bank projects. Updated guidelines, written in consultation with developing country NGOs, environmental groups and industry, are to be released shortly. On paper these guidelines strengthen the Bank's commitment to IPM.

While the World Bank's Pesticide Guidelines represent a positive step forward, the Bank receives poor grades on its record of implementation. A recently released report by the Consumer Policy Institute (CPI), "The First Three Years: Implementation of the World Bank Pesticide Guidelines 1985-1988", by Dr. Michael Hansen, reviewed 24 representative agricultural projects for compliance with the operational requirements of the Bank's guidelines. The study found little evidence that the Bank has made a strong commitment to following its guidelines and implementing IPM.

For example, despite the Bank guideline's explicit aim "to reduce reliance on chemical pesticides":

> * In Egypt, the Second Agricultural Development Project (ADP) is anticipated to lead to 9 fold increases in pesticides use over six years;
>
> * In Mexico, the Second Tropical ADP supports up to 16.4 fold increases in pesticide spending by targeted classes of farms;

* In Yemen, the Wadi Al-Jawf ADP introduces pesticides into an area of traditional farming systems where no pesticides had been formerly used.

The study also demonstrates the virtually complete failure of the Bank to incorporate IPM, which was supposed to be the main thrust of Bank-sponsored pest control, into its projects. In only one project out of 24 reviewed was IPM even discussed in the Staff Appraisal Reports. In a loan for Sudan almost exclusively for the purposes of purchasing pesticides, the Third Agricultural Rehabilitation Project, the Bank incorporated an IPM component representing a paltry 1.5 percent of total disbursements. Moreover, the World Bank has long been criticized for its role in perpetuating an extremely serious set of economic and ecological crises resulting from its previous support of the cotton sector targeted by this loan. The limited resources committed to IPM in this loan do little to allay critics' concerns.

The World Bank must be made to implement more aggressively its IPM guidelines, and compliance must be closely monitored. If proposed loans do not meet the operational requirements of the guidelines, or contravene their stated intent, the U.S. should refuse to support the proposed project.

The regional MDBs support IPM in principle, but still have no guidelines which give staff the clear operational requirements needed to effectively integrate IPM strategies into their projects. The U.S. should find ways to encourage all the regional MDBs to develop IPM guidelines as quickly as possible. All the MDBs should consider the need for additional technical staff versed in IPM, and for training of other agricultural staff in IPM and non-chemical approaches to pest management.

Successful IPM programs around the world share several common properties which, it is important to note, need to be more widely applied to other natural resource management problems:

* the necessity of using ecological principles to design stable, sustainable and economically viable management options adapted to local conditions;

* the need for the full participation of local people in all stages of project planning, design and implementation;

* a greater valuation of the traditional natural resource management practices of local populations;

* the importance of government policies and institutions which are supportive of the above goals.

The Bank's new IPM guidelines incorporate these critical components. But they must be supported by additional actions within the Bank if it too is to successfully promote IPM and reduce reliance on chemical pesticides.

First, the IPM guidelines need to be activated much earlier in the Bank's project cycle. Effective IPM means modifying or eliminating cropping systems and production techniques which typically create serious pest problems, such as large scale monocultures, in favor of more ecologically sound approaches. As it stands now, the IPM guidelines are activated only as a mitigation measure well into the project cycle when it has already been determined that the proposed project will create pest problems and thus a demand for pesticides. Having already made significant investments of bank resources and staff time, project managers are then resistant to making the more fundamental changes that may be needed for effective prevention of pest outbreaks. Environmental mitigation rather than preventing the problem is simply a wrong-headed approach to promoting ecologically sound and sustainable agriculture.

Second, the Bank will have to be much more open and disclose more information at every stage of the project cycle, welcoming discussion and the involvement of local NGOs and farmers. This process is critical for insuring the success of IPM programs. As has been demonstrated most convincingly in the rice IPM work supported by the FAO in Asia, success begins when you start with the concerns and realities of farmers and rural communities and work with them every step of the way in the development of IPM programs.

2. Sustainable Agriculture.

None of the MDBs has yet to adequately address and incorporate sustainability issues in their agricultural development models. Yet, the threats to human welfare posed by the irreversible degradation of the world's basic stock of soil, water and genetic resources have never been more clearly pronounced than they are today.

Many of these threats to sustainability can be traced to the primary emphasis on energy-intensive, high-input production for international markets which characterizes rich country agriculture and has shaped the model for much of what is being promoted by the World Bank and the other MDBs in developing countries. High yields are based on inputs which degrade soil fertility, deplete water supplies and depend on non-renewable sources of energy.

Assisting borrower countries to make the transition to sustainable agriculture will require MDBs to fundamentally reassess their approaches to agricultural development. While necessary, it is in no way sufficient to simply impose environmental mitigation measures on bank funded agricultural projects, unless the projects themselves are part of a larger strategy for confronting the fundamental processes driving the unsustainable resource use.

All the banks must begin the process of assisting developing countries to better assess the risks posed to the long-term productivity of their agricultural assets. Greater attention must be given to the role of current and anticipated trends in resource management on their long-term productivity, the identification of the particular regions and resources at greatest risk, and the economic and social implications of their loss for future benefit.

The achievement of sustainability objectives must be made a fundamental component of all agriculture sector studies. And the MDBs must adopt internal policy guidelines which require the application of sustainability criteria in all bank supported agricultural development.

Equity and sustainability issues are closely linked. A higher percentage of MDB lending must advance the interests of the poor by addressing their needs directly. Land and livestock reform is needed to improve the equity of access to productive assets and to assure settlement patterns congruent with sustainable resource use as a central part of MDB efforts to assist borrower countries make the transition to sustainable agriculture.

Finally, lending strategies must place an increased emphasis on the conservation of soil, water and genetic resources, both through direct investments and as a consequence of other agricultural lending. Innovative agricultural technical assistance programs are needed which avoid heavy reliance on non-renewable sources of energy, promote organic methods of improving and maintaining soil fertility, and support non-chemical control of pests. Efforts must also be increased to encourage in-situ preservation of domesticated animal and crop plant germ-plasm in centers of diversity.

3. AFRICAN DEVELOPMENT BANK.

For the past two years the Sierra Club, the American Farmland Trust, and the Natural Resources Defense Council have been working with the President of the African Development Bank, Mr. Baracar N'Diaye, and his staff, to explore ways in which the African community development NGOs can play a larger role in Bank projects. With Mr. N'Diaye's support we have been working with the Bank staff to develop a proposed project called "The NGO Outreach Project."

We are pleased to report that the African Development Bank has put its funds into the project. We are also pleased to have Treasury Secretary Brady express continuing support for the Project in testimony before the Congress. We are now awaiting a decision by the foundations to fund the year-long project. We expect that sufficient funding to begin the project will be obtained within the next few months.

In other matters, Mr. Seewant Bhoojedhur, the Director of the Bank's Environmental Department, has been developing an environmental assessment process for the Bank. We realize that this new law is going to be difficult for the Bank to implement due to the lack of trained environmental staff within the donor countries. We hope that our government will be in a position to help these countries meet the requirements of the EIA law in a timely fashion.

4. INTER-AMERICAN DEVELOPMENT BANK.

In the past year, the IDB established an environmental department. We would commend the IDB both for the creation of the department and for the high quality of the people selected to head and to staff it. We remain somewhat concerned, however, about the relatively small size of the department in relation to the large amount of work that needs to be done in this field.

An area of ongoing concern is the question of whether or not the environmental conditions attached to loans are being observed. In this regard, we note that such conditions were not observed in the construction of the IDB-funded road between Cuenca and Naranjal in Ecuador. Obviously, an environmentally-sensitive loan agreement is of no value if the environmental safeguards are not honored.

A further area that will require close attention in the next year is the level of lending for explicitly environmental projects. We hope to see a dramatic increase in such loans.

Finally, there are two issues which, in the next year or so, will provide a powerful litmus test of the IDB's commitment to the environment:

1) **Environmental Assessment (EA) Procedure.** The IDB has put together an EA procedure. While we have not yet had a chance to review it, such procedures are a benchmark for the environmental accountability of the multilateral development banks. We would hope that it will include wide-ranging consultations with peoples affected by projects, authentic least cost planning (including the possibility of not undertaking a project), and public access to relevant documents.

2) **Policy on Non-governmental Organizations (NGO).** As with the EA, we have not yet had a chance to review the policy, but expect that it will speak volumes on the seriousness of the IDB's environmental commitment. Here we would hope to see broad NGO involvement in all aspects of the project cycle, particularly in the early stages so that plans will reflect the needs of the people most directly affected by the projects.

5. ASIAN DEVELOPMENT BANK.

In Manila in 1988 and last year in Beijing, representatives from several NGOs in Asia who are actively monitoring the Asian Development Bank, arranged for invitations to the ADB annual meeting. There they met with Finance Ministry officials from member governments and high-level Bank officials. A broad range of concerns were discussed at these meetings and specific changes in the Bank's approach were advocated. In Beijing, ADB President Fujioka made a special effort to meet the NGO delegation and hear their concerns. The meeting was particularly significant in that it was the first time an ADB president met with NGOs representatives and the team was the only group President Fujioka saw which was not a high-level delegation from member governments.

Such meetings are currently being arranged for the NGO team at the New Delhi meeting in May. The focus of the lobbing work will once again be the ADB forestry and energy policies. The NGO group will discuss in detail, the overall trend in forest sector lending. Specific concerns about the current Philippine Master Plan for Forestry will be presented together with concerns about ADB forest lending in Laos, Bangladesh, and Papua New Guinea. Lobbying on energy issues will continue to focus on the need for the Bank to begin to move away from financing large-scale energy projects and to include conservation and end-use efficiency as key elements in their energy sector loans.

6. BANK FOR EUROPEAN RECONSTRUCTION AND DEVELOPMENT.

The Eastern European region is one of exceptional environmental devastation. In fact, some parts of Eastern

Europe, most notably the area around the East German, Czechoslovakian and Polish borders, are strong contenders for the dubious distinction of being the most polluted area on the planet.

This destruction is taking a stunning toll on the health and economies of these countries. In Poland, life expectancy, after peaking in the mid-seventies, is now sagging back to the levels of the 1950s. In Northern Czechoslovakia, residents are actually paid a bonus to live in an area so polluted that inhabitants die 4 to 5 years earlier than their countrymen in less polluted regions. The cynical Czechs call their bonuses "burial money".

Pollution takes a ferocious toll on the economies of the region. While no data are certain, informed estimates place the pollution-induced losses in the region at around 10 percent of the gross national product. Environmental reform is therefore fundamental to successful restructuring of these economies.

Finally, environmental reform should have a very high priority in US aid efforts for foreign policy reasons. While the current wave of democratization has many causes, one of the driving forces has been popular outrage at the environmental devastation. Environmental groups have been at the forefront of the wave of reform in a number of countries. Members of the Polish Ecology Club, for example, sat at the roundtable discussions that resulted in the compromise that allowed the Solidarity government to come to power. In Bulgaria, members of Ecoglasnost now sit in similar discussions. One of the best ways to foster democracy in the region will be for the US to work with these environmentalists and to help realize some of the goals that drove the reform movement in the first place.

One institution that will play a critical role in the unfolding Eastern European environmental situation will be the Bank for European Reconstruction and Development (BERD). In our view, it is crucial that the BERD avoid the mistakes of the other MDBs. This concern has also been raised by members of the House Banking Committee and the Senate Foreign Relations Committee. In addition, Treasury Secretary Brady has received letters from the Chairman of the Council on Environment Quality, Michael Deland and the Administrator of the Environmental Protection Agency, William Reilly.

In Secretary Brady's response to EPA Administrator William Reilly, he quotes the environmental provisions in the current draft of the charter (i.e. as of February 22nd). He tells us that the "current draft charter provides that:

> '...the Bank shall assist...member countries to implement structural and sectoral economic reforms by measures:
>
> (vii) to promote in the full range of its activities environmentally sound and sustainable development.'"

Secretary Brady also reports in this same letter that "with respect to the environment, there is no controversy, all of the participants in the negotiations recognize the need to improve the environment in Eastern Europe; and there appears to be a broad consensus among them on the need for strong and effective action."

While we are pleased to learn that some environmental language has been incorporated into the draft charter we would like so see more specific language in the charter along the lines suggested by the House Banking Committee members. However, it may well be that the language currently in the draft, if it is retained in the final version, will set the stage to make it possible to incorporate more specific directives into the articles of incorporation, or by-laws, of the new Bank. We agree with the recommendations from the members of House that the "charter or other enabling documents should include the following elements:

> The prime objective of the Bank should be to promote sustainable economic development. Development cannot be sustainable unless it contributes to the restoration and protection of the environment;
>
> Procedures for public participation in Bank decision-making, including the preparation of environmental assessments, should be established;
>
> A high-level environment and public health post, with veto power over any decision to bring loans up for Board consideration, should be established to ensure that bank-funded projects contribute to the goal of sustainable development."

We also note with some concern that the BERD negotiations are proceeding at a speed which our colleagues in Eastern Europe oppose. At the moment, many of the governments of the recipient countries are in transition. Hungary and East Germany only recently had elections. Czechoslovakia, Romania and Bulgaria will be holding them soon. Consequently, the people representing the governments of the recipient countries at the BERD negotiations have been, or are, of somewhat uncertain legitimacy with regard to their ability to represent authentically the wills of the peoples of these countries. Greenway, a network of Eastern European NGOs, held a meeting in Berlin in late February, and called for a pause in the creation of the BERD "for about one half year to start a debate about the economic and ecological future of these countries." If the BERD is quickly ratified and ends up being environmentally insensitive, it is likely that the legitimacy of the institution will be called into question.

The crucial test of the BERD in this regard will be in the development of the by-laws. We note that in testimony before the Senate Foreign Relations Committee, David Mulford, Under-Secretary of Treasury and the man leading the US negotiating team on the BERD, promised to follow up and work to develop operational guidelines and regulations to ensure that the broad commitments in the charter will be translated into real operational action.

We hope the Committee will support such efforts in the coming months. We have the opportunity to make this new Bank the model for the rest of the MDBs.

7. THE INTERNATIONAL MONETARY FUND.

We commend this Committee for the language on the IMF that was included in last year's Appropriation Bill, PL 101-167. Also last year, the House Banking Committee passed a complementary Bill, PL 101-240. The new legislation requires the US Executive Director to the IMF to promote major reform initiatives within that institution. If fully implemented by the IMF, these bills will have helped create significant positive benefits for the environment and the natural resource base of countries undergoing structural adjustment programs and for the people of those countries.

PL 101-167 requires the US Executive Director to seek support for the addition to the IMF's staff of natural resource experts and development economists trained in analyzing linkages between macro-economic conditions on the one hand, and short and longer term impacts on sustainable management of natural resources on the other. The Executive Director is required to promote the establishment in the IMF of a systematic process to review in advance projected impacts of each IMF lending agreement on the long-term sustainable management of natural resources, the environment, public health and poverty. Then, based on that analysis, the IMF would have to take those impacts into account in its policy formation.

PL 101-240 also articulates the need for a systematic review process of the Fund's policies, and the use of compensatory measures to reduce the potential negative impacts on the well-being of the poor and the environment.

The new legislation has laid a good foundation for our dialogue with the US Executive Director and other IMF officials. Less than a year ago, the Fund did not recognize possible negative impacts of the structural adjustment programs. We have yet to see measurable changes come forward on an operational level, but considerable progress has been made in creating a climate within the Fund in which substantial changes can be discussed seriously. In the last few months we have had a meeting with the Fund's Managing Director, Michel Camdessus, and a follow up meeting with the Deputy Managing Director, Richard Erb. The IMF has acknowledged the linkage between structural adjustment and potential environmental degradation, has instigated research in this field, and appears to be willing to keep us informed on the progress made in confronting environmental and poverty issues.

The US Executive Director has proved to be very enthusiastic about implementing the new legislation. His most significant and successful effort thus far appears to be focused on the establishment of a new social and environmental unit within the Fund, which seems to be feasible this year. The new unit initially would have approximately four professionals. It would commission appropriate studies by the Research Department, help develop practical mechanisms to alleviate negative impacts of structural adjustment on natural resources and the environment, and coordinate on a general basis with the World Bank, which already has experts working to analyze the social and environmental impacts of structural adjustment programs.

In order to comply with the legislative requirement to establish a systematic review process to analyze and take into account the social and environmental impacts of structural adjustment measures, the US Executive Director, the Treasury Department and the NGO community agreed that the Policy Framework Papers (PFPs), already utilized by the IMF to address some aspects of implementation, would provide one appropriate vehicle for carrying out environmental impact studies.

Although the PFP seems to be the most appropriate present document to raise environmental and social concerns, there are some problems with the quality and the legal weight of the PFPs. Furthermore, they don't cover the full range of IMF conditionality activities. For example, stand-by arrangements, covering adjustment programs from one to two years, don't require PFPs but are subjected to similar conditionality measures.

The PFPs need to become more specific, articulating clearly the principal measures to be taken and including a definite timetable for implementation. It is unclear what the leverage of the PFP is in the decision making process, but it is clear that more weight has to be given to it. Approval of the PFP as a necessary component of the loan package should be required.

Another difficulty is that preparation of a PFP is only a requirement for Low Income countries that seek to borrow under the Structural Adjustment Facility or under the Enhanced Structural Adjustment Facility. To make the PFPs a general and an effective tool, the use of the PFPs would also need to be expanded as a requirement for all debtor nations to the IMF.

In a meeting with US Executive Director Tom Dawson on March 19 we discussed how the US might comply with the provision in the legislation regarding initiation of a systematic review of structural adjustment programs and other IMF policy prescriptions. He noted that the Fund conducts a form of evaluation study for internal staff use, but it is unavailable to the Board or the interested public. Hence, accountability is difficult. Since we have no access to the majority of Fund documents, it is impossible to evaluate the appropriateness and comprehensiveness of those internal studies.

There is a need, therefore, to refine the legislative language on the subject of evaluation studies, to require an independent evaluation process.

There is also a need within the IMF for a more structured approach to the issue of compensatory measures. Although the IMF acknowledges the problem and compensatory actions are mentioned in the PFPs, there is definitely a lack of clearly defined poverty alleviation efforts. Much more work needs to be done on this issue. Discussions of compensatory measures should be an essential part in the design of adjustment programs. Congress may want to address this in more detail in this year's legislation.

Some compensatory measures to alleviate poverty have resulted from the poverty study conducted by the IMF. Poverty issues have been publicly acknowledged by the Fund and poverty alleviation efforts have become a part of the SAF policy prescriptions. However, unless these measures are effectively targeting parts of the population and social sectors that have suffered the most under the structural adjustment measures, little has been accomplished. The PFPs mention several compensatory measures, but there is a need to research and articulate more clearly the principal measures to be taken and a definite timetable for implementation.

In 1988 the World Bank published a comprehensive review of its experience with adjustment lending. The study reaffirmed the social costs of structural adjustment programs. According to the study, progress has slowed down in nutrition, infant mortality, life expectancy, and primary school enrollments. The World Bank Annual Report states:

> There is need for greater emphasis on ways to lower the social costs of adjustment. This will require both a better understanding of the effect of adjustment policies on the poor and on the design of programs and interventions to help the poor. Support for programs designed to ameliorate the social costs of adjustment should be intensified.

The World Bank has acknowledged that these programs have often faced serious shortcomings, such as insufficient political commitment, institutional weaknesses, shortages of funding, and poorly trained staff. It is clear, therefore, that stating a few compensatory measures in one paragraph in a PFP does not guarantee a successful outcome.

While we were very pleased to see that environmental and social language was incorporated in last year's appropriation legislation, we would urge you to consider adopting the following recommendations designed to establish more substantial reforms of the IMF. These recommendations reflect the changes required for the IMF to become more responsive to the social and environmental reality of the borrowing countries.

- The IMF should establish a special environmental and social unit;
- Use of the Policy Framework Papers (PFPs) should be instituted as the main initial vehicle for incorporating social and environmental impact studies and evaluation reports;
- The weight of the PFPs within the decision making process should be increased, by making them a general condition of loan approval;
- Compensatory measures to protect the environment, natural resources and the poor, in the context of structural adjustment measures, should be expanded and better utilized;
- The Fund's accountability to the public should increase, which can be accomplished principally through increased access to information by NGOs and an opportunity to participate in fund activities and programs. Systematic consultation with and participation of national NGOs should be included in the development of environmental and social components of the PFPs;

- **A comprehensive review mechanism, covering all IMF programs should be established. The IMF should have an (ongoing) independent evaluation study conducted to assess the success or failure of the structural adjustment measures, particularly the social and environmental impacts of the Fund's adjustment policies;**

- The IMF's standard procedures in analyzing the costs and benefits of the structural adjustment programs should be changed, incorporating the natural resource accounting procedures.

8. TREASURY MDB OFFICE.

The positive and productive working relationship between the environmental community and Treasury's MDB office continues to grow. The office has proven to be conscientious, thoughtful and efficient in executing its mandate under the law. Having said this, it is important to note several issues that impact negatively on this performance:

1) Staffing level - With approximately 500 loans a year from the MDBs and the World Bank's lending alone representing $20 billion, Treasury's MDB office is not staffed at the level necessary for a careful analysis of the proposed loans for compliance with U.S. voting guidelines. Currently, significant staff time is spent meeting the reporting requirements established by Congress on the MDBs. Although in the past these reports have been useful, with the present staffing levels, it is difficult and maybe impossible to issue the mandated reports on time and to follow the individual loans up for Board approval. We would suggest that the Committee, in consultation with the Treasury and the environmental community, examine the usefulness of these reports and if increased Treasury staff for loan surveillance cannot be found, then explore the possibility of consolidating some of the requirements.

2) Access to information - Closely following on the first point is the problem of timely access to the MDB-generated information of proposed loans. Currently, the World Bank provides to the U.S. Executive Director copies of the SAR two weeks before a Board vote. The usual practice for the other MDBs is to provide an appraisal report three weeks before a vote. These reports, which are generally 50 to 100 pages in length, requesting the approval of millions of dollars in loans are often technically complex and convoluted. It has become clear from our work in this area that review of the loans during the current two week access period guarantees that any examination will be superficial and cursory.

With the new material mandated by the World Bank's environmental assessment procedures, it may be even more difficult to assess whether these loans meet U.S. voting guidelines. At a minimum four weeks should elapse between the receipt of the SAR and the Board vote. The MDBs should also be willing to make available or request material as it is being developed by the staff. We would recommend that the committee ask the U.S. Executive Director to formally request that the MDBs provide the SARs at least four weeks before the Board vote.

8. AGENCY FOR INTERNATIONAL DEVELOPMENT.

A. MDB Office:

Much of what has previously been noted with regard to Treasury's MDB office also applies to AID. Again it is an office that provides much needed information on MDB projects and has demonstrated its commitment to the sustainable use of natural resources and to the protection of the environment and indigenous peoples. It has recently initiated monthly meetings involving U.S. government personnel (Treasury, AID, State, EPA, and CEQ) and environmental groups. Designed to identify projects which may adversely impact the environment, AID's early warning office offers an important opportunity for government and environmental groups to meet and exchange information on MDB-funded projects.

Currently, this is a one-person office with assistance of an AAAS fellow. It is our observation that this staffing level is not adequate to accomplish the responsibilities of the office as outlined in Section 537 (h) of P.L. 100-202 and Section 1303 (c) of P.L. 95-118. We would suggest that the Committee encourage AID to take the necessary steps to ensure the resources needed for compliance with the law. This office supplies some of the most important information and services necessary for monitoring the MDBs and we feel that it is imperative that it be maintained and strengthened.

B. Population:

Rapid population growth in many developing countries is a critical factor in the slowing and backwards drift of the development process. Per capita food production is declining in 51 out of 94 countries. Africa in particular is suffering from an unremitting increase in the need for agricultural land, energy, fuelwood, and fisheries, with a million more people to feed every three weeks. With the resource demand at an unsustainable level now, hundreds of millions of people still have no access to or understanding of basic family planning.

AID is known and respected throughout the world for its population assistance programs, even though it is sadly underfunded. The RAPID program in particular shows the direct link between increased human population and decreased per capita natural resource use. In the last fifteen years, the awareness of the importance of slowing population growth has spread to nearly every nation. In Afr alone, from the mid 1970's to the mid 1980's, the number of countri supporting family planning programs rose from 4 to 27; in Latin American and the Caribbean, from 9 to 16.

Twenty years ago very few countries had population policies or active involvement with family planning; now, very few countries do not. A great deal of this awareness developed during the past decade, as an essentially spontaneous response to the inescapable practical evidence that increased population in many countries was straining the environment and not leading to further progress in human welfare.

The number of countries with population programs has grown, and certainly the number of people needing family planning has grown - but the AID population account has fallen in real dollars. To maintain the percentage of coverage of those in need would have required significant growth above and beyond inflation; but U.S. aid today covers even a smaller proportion of the problem than it did ten years ago.

With the 20th anniversary of Earth Day just three weeks away, and in light of the dramatic changes in the military situation today, we face a golden opportunity for the U.S. to re-define national security interests for the coming decade to include peace - the peace that comes with stable, self-sustaining societies, in which people have the number of children they can support, that their community can provide for, and that their environment can provide resources to feed, clothe and house.

To achieve sustainable population levels, we have several great tasks ahead of us in the population field: universal availability of contraception; education and research on the environmental carrying capacity of each ecosystem; and devising democratic ways to reduce population over time to achieve a sustainable level.

But all of it starts with and depends upon one simple step - worldwide provision of safe, affordable, accessible birth control. Of course, the human benefits are first and immediate: the biggest single variable in many countries for an infant's chance of survival is simply that its mother does not have another child before he or she is 2 years old. But the longer term, environmental benefits are just as important, for the environment is the support system for tomorrow. Considering the myriad ways in which stable population lessens the strain on resources and helps with a transition to sustainable agriculture and renewable energy, this approach, at approximately $16 per couple per year, is by far the least expensive way to take a first practical step to a safe, sustainable world.

Universal family planning is generally defined at 75% contraceptive coverage. This coverage corresponds in practice to most societies' replacement level, of just over 2 children per couple, which is the number of children at current mortality levels which will

replace their parents. The cost of providing 75% contraceptive coverage for the approximately 80 countries with growing populations is $6 billion today, and rises to $10.5 billion by the end of this decade due to built-in 'population momentum' from recent high birth rates. Since the U.S. traditionally provides 10% of major international aid efforts, this calls for a U.S. contribution of approximately $500 million.

To meet this need, we request that the appropriation for the AID population account be increased from last year's $220 million to $500 million for FY91. The 1982 funding level of $211 million, if the program had kept pace with inflation, would be $297 million.

This funding level will also let us meet our financial commitments under the Africa Fund passed by Congress last year, with its mandated 10% population spending. In addition, we hope that by setting an example of commitment to this global family planning initiative, other countries will be inspired to play their part in meeting the full immediate $6 billion need. We are approaching other countries specifically to assist in this need.

In implementing this appropriations request, two technical points should be noted. First, the AID population account earmark must be maintained.

Second, the cost per Couple Year of Protection, CYP, should be used as an evaluation tool in all grants. This standard, used by every other international family planning grant agency, assures that the management of each program can be measured objectively, and assures the continued high standards of service providers for which AID is known. It is particularly important in light of the significantly increased funding we have requested that a means be available to assure that the funds are used for the largest possible increase in provision of services. There is some concern that recent additional internal management requirements could erode the cost-effectiveness of the programs, thereby denying many millions of additional couples the benefits of population assistance. We note with alarm, for instance, that AID is cutting back sharply the procurement of contraceptives: new programs, even in Africa, are being denied AID-supplied contraceptives. Use of this internationally-recognized yardstick by the United States is a minimum standard for responsible distribution of these hundreds of millions of dollars of public funds.

We support sustainable development where people are be able to plan the family size that their own economic livelihood, community and environment can support.

We are seeing major failures of development policies, and in some instances major degradation of ecosystems due in significant part to population growth pressures. Population growth is capable of wiping out the achievements of the best possible environmental programs,

economic development initiatives, health services efforts, and othe attempts to improve human welfare.

The time has come for the U.S. to resume leadership on international family planning aid. We ask you to take the first step towards stable, sustainable population levels as quickly as possible, by supporting full funding of current unmet family planning needs. Giving individuals the ability to voluntarily control their fertility is an essential, immediate contribution to many of our country's foreign policy goals, and to the dignity of all humankind.

C. U.S. AID'S Biodiversity Program:

This Committee appropriated $10 million for AID's FY 1990 Biological Diversity program. We take this as a reflection of the wide support the program enjoys within the Congress and, we believe, within AID. However, within the Asia\Near East Bureau a controversy has developed over the implementation of this law. Over the past few months the Sierra Club has been hearing from a number of sources, inside and outside AID, that the Biodiversity Program is being systematically undermined by Assistant Administrator for Asia and the Near East, Carol Adelman, and her special assistant John Blackton.

While specific information is hard to come by we do have some correspondence on this matter. First, I would like to quote for you an undated memo from Mr. John Blackton regarding how the missions within Asia/Near East Bureau (ANE) are, in the future, to interpret AID's responsibility under the Biodiversity Law:

> Informal Note to Peter Davis and Mike Crosswell
>
> Getting Economics to Drive Our ANE Natural Resources/Environment Strategy
>
> Carol and I have had another round of meetings with Barb and Bob I. On the issue of framing an ANE Nat.Res/Envir strategy.
>
> In a nutshell, here is the nub of the issue.
>
> - AID is not an environmental agency, it is an economic development agency
> - our role in Nat Res/Envir must flow from our economic development role
> - at the country level this means that our country specific Nat Res/Environment internventions (sic) (if any) must:
>   ** drive from our analytical understanding of that country's economic growth path
>   ** result from our analytical judgement that Natural Resource/Environmental constraint is potentially binding for that country's growth path.

In practical terms (and in oversimplified terms) if our view of the probable and desireable growth path in Thailand is one in which the export of manufactured goods and services from major urban centers is the central feature, we examine that growth path to see what potentially binding resource constraints Thailand may encounter. In the area of water these might be

* ensuring sufficient chemically untainted ag water in the central pla[i]ns area to support high value export agriculture;

* ensuring adequate drainage from the greater Bangkok region to permit continued urban/industrial expansion etc

While environmental/resource analysis might raise big concerns about timber depletion and marine fisheries, our economic analysis might demonstrate that these issues are not potentially binding constraints to Thailand's development path.

On the basis of this type of economic screen we could elect to work on a range of urban/central plains water policy issues in Thailand and to leave marine fisheries and timber management to other players.

THIS IS A GIANT STEP BEYOND SIMPLY ASKING FOR ECONOMIC ANALYSIS OF POTENTIAL NATURAL RESOURCE INTGEVENTIONS (sic). A WELL DESINGED (sic) FISHERIES INTERVENTIONS MIGHT HAVE AN IRR OF 24 PERCENT AND AN ERR OF 18 PERCENT AND YET (UNDER THE ADELMAN/BLACKTON RULES) WE WOULD NOT/NOT UNDERTAKE IT. WE WOULD WALK AWAY FROM THE PROPOSED PROJECT BECUAE (sic) IT IS NOT SUFFICIENTLY RELEVANT TO THE CORE TRACK OF THAILAND'S DEVELOPMENT PATH. A PROJECT TO INSITUTE (sic) LONG TERM TAX INCENTIVES FOR SOUND URBAN DRAINAGE INVESTMENTS MIGHT HAVE AN IRR OF 22 AND AN ERR OF 16 PERCENT AND YET (AGAIN UNDER ADELMAN/BLACKTON RULES) WE WOULD CONSIDER AID FUNDING.

ACTION FOR DP: We need to articulate this decision screen in clear professional economic language. We should look for language which is broadly consistent with:

* Open Markets Open Societies
* Our overall Economic Growth policies
* our emerging ADC language

I am looking for about two paragraphs which can be built into the front of an ANE strategy doucment (sic) on Nat Res/Environ."

Of special interest in this memo is the first bullet: "AID is not an environmental agency, it is an economic development agency." From this memo you can understand why the alarms are going off inside AID and among our organizations.

Note that Blackton "suggests" that AID Thailand "work on a range of urban/central plains water policy issues in Thailand and to leave marine fisheries and timber management to other players." That in effect will kill off the major biodiversity project currently being developed by the AID Mission in Thailand!

The Sierra Club also received a letter from an American who is currently stationed and close to what this attack on the Biodiversity Program. Here are excerpts from his report:

> **"The Asia/Near East Bureau has declared that all programs must be dominated by achievement of "open market, open society" objectives for economic** development. Bush said a while ago that these two were the "engines" of economic growth. On its face the new emphasis makes sense -- Sri Lanka, like most other Third World countries, desperately needs more of both. Almost everything would work better with less government and more private sector involvement, including pollution control. Badly run government industry and so forth accounts for about 80% of pollution, and more citizen involvement, checks on government abuse, and so forth are critical. The question -- and potentially big problem for us -- is whether the OM/OS policy is so narrowly construed as to make the broad country environmental programs of USAID essentially unapprovable, at least within the A/NE Bureau.
>
> In the natural resources/environment program we're developing here we look toward maximum use of the open market/open societies bit. On the other hand there are limits to how far it can be applied. Well run government agencies, knowledgeable staff able to appreciate needs for clear basic standards, economic as well as environmental efficiency, concepts of ecology, values of public involvement, technical and other basic information.
>
> The question is how the OM/OS is perceived by USAID as fitting within all the good words of the Acting Administrator about the environment, hiring new people, and so forth? I fear that the USAID environmental programs being developed in Sri Lanka, Indonesia, Morocco, and elsewhere, will not be approved

> because these two objectives are not supreme. I understand Morocco has been stopped in its tracks in developing a watershed management program; Indonesia's environmental PID is as least stalled and Thailand's MANRES program is being totally redesigned and substantially reduced, and I may be helping them on that!"

The Sierra Club has also obtained a set of cables between AID officials in Washington and their mission in Morocco regarding the proposed High Atlas Watershed Project in Morocco. (Copies of these cables have already been turned over to the Committee staff.) These memos give us a chance to learn how the "Adelman/Blackton Rules" are being applied to specific projects. The following paragraph is a quote from one of the cables from Washington AID to the mission in Morocco:

"THE ANPAC AGREED TO RECOMMEND TO THE AA/ANE APPROVAL TO PROCEED WITH PROJECT DEVELOPMENT, SUBJECT TO AN INTERIM ANALYSIS WHICH WOULD CAREFULLY LAY OUT THE CONTRIBUTION TO ECONOMIC DEVELOPMENT AND FORMULATION OF POLICIES IMPACTING ON BOTH UPSTREAM RESOURCE MANAGEMENT AND DOWNSTREAM RESOURCE USE. HOWEVER, THIS RECOMMENDATION DID NOT GO FAR ENOUGH TO MEET AA/ANE CONCERNS REGARDING BUREAU POLICY THAT NEW PROJECTS SHOULD START FROM EXAMINATION OF IMPEDIMENTS TO CORE ECONOMIC GROWTH AND SHOULD CONTRIBUTE TO OUR OBJECTIVES."

We urge this Committee to request AID to submit to you a complete description of the Atlas Watershed Project so we can better understand what it was intended to do and how that project has been modified as a result of the "Adelman/Blackton Rules".

In the Senate confirmation hearing for Dr. Roskens as the next director of AID, Senator Pell asked what measures Dr. Roskens would take "to fulfill the intent of Congress that programs authorized under these sections" (i.e. Sections 117 through 119 of the Foreign Assistance Act) " receive significant support from the Agency."

Dr. Roskens gave this written response:

> "I have not looked carefully at the biodiversity legislation, but I can give you a general response.
>
> As I understand the situation, the funds for biodiversity to date have essentially been applied to initiate new projects, in countries where the sector has not been addressed in the past. I think that is a laudable approach, so long as such projects are not 'one-time efforts.' I would urge Missions to continue their work beyond the life of funds allocated under the earmark, ensuring that protection of biodiversity

> **becomes part of the development fabric in countries where the projects were launched. In the long run, after all, the United States cannot force respect for biodiversity. If host governments, on the other hand, take on the issue as their own, a major step forward for the global environment will have been taken."**

In response to earlier question by Senator Pell on the importance of protecting the international environment Mr. Roskens is even stronger in his commitment to environmental protection:

> **"It has become abundantly clear to people everywhere that environmental degradation is bad for all of us, and that we have a global stake in maintaining and improving our natural resource base."**

We believe that what we are hearing from the new Administrator of AID and the policies being pressed by the Asia/Near East Bureau are not consistent regarding the implementation of the Biodiversity Law. We ask this Committee to closely examine AID's policies with regard to the implementation of the Biodiversity Law and pursue all available avenues to see that the law is correctly interpreted. We thank the Committee for funding this year's program at $10 million. We hope that the problems within the Asia Bureau can be cleared up and this problem will not effect a reduction of the programs' funding level for FY 1991.

D. Support for Eastern European Democracy (SEED):

As mentioned above, environmental protection should be one of the priorities for all US activities in Eastern Europe. We would like to commend the Committee's for appropriating funds for the Support for Eastern European Democracy (SEED) Act. In particular, the Act called for EPA to establish a regional environmental center in Budapest, Hungary, and to assist in the development of an air quality monitoring network in Krakow, Poland.

Since the SEED Act was signed into law, the reform movement in Eastern Europe has spread far beyond Hungary and Poland. New aid packages are moving through the Congress which would expand both the mandate and the funding of the SEED Act. We would ask the Committee to increase appropriations for environmental projects and programs commensurate with the expanded area covered by the new SEED Act.

9. OTHER INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

Funding should be provided to move the World Heritage Program to a new level of effectiveness. Current appropriations do not even total one million dollars. The World Heritage Program provides recognition for the greatest natural and cultural sites on our planet. Many of these sites are under stress. Some greater visibility of this Program is necessary as a way of providing additional protection and of furthering services from the program. In addition, there are new opportunities for the program in Eastern European countries.

The United Nations Environmental programme (UNEP) did a remarkable job in facilitating the Montreal Protocol to protect the ozone layer. We ask for an increase in appropriations for UNEP to provide it with $20 million for fiscal year 91. UNEP only receives $32 million a year from all country donations which is too miniscule a sum given the severe global environmental challenges it must address. As we enter the twentieth anniversary of Earth Day, we think it appropriate for the Committee to indicate that a level of $100 million will be pledged by the United States for UNEP over a five-year period to help give the agency stability. A similar five-year pledge was made a decade ago by the United States and helped considerably in providing UNEP with the opportunity to hire for the long-term. This pledge should be repeated.

Additional money ought to be provided in this International Organizations and Programs account to assist NOAA in carrying out work pertaining to global warming and tropical deforestation. Adequate funds are necessary to install proper equipment to monitor various trends and indicators of global warming such as sea level rise. Money is needed for thorough participation in international meetings, particularly in regard to the role of the oceans in affecting global climate change.

Adequate funds should be provided so that NOAA, in cooperation with NASA, EPA, the Forest Service, and other appropriate agencies, could prepare on an annual country-by-country basis the definitive statistics on forest cover, with a comparison to the previous year's cover. Initial cost estimates suggest that the cost per country of such analysis would be in the range of $15,000 to $20,000. Thus about $2 million should be provided to gather this information for 100 priority countries. This information is vital in getting an accurate picture of who is gaining and who is losing in the fight to halt deforestation.

10. GNP AND NATIONAL INCOME ACCOUNTS.

We commend this committee for the language in last year's Supplemental Appropriations Bill PL 101-45, concerning environmental deterioration and the gross national product. This far-sighted new law calls on the Secretary of State, the Administrator of A.I.D., and the U.S. directors and representatives to international institutions to seek new ways of calculating each nation's gross national product to factor in environmental damage degradation of natural resources. When combined with the directive to the Secretary of Commerce in the State, Justice, Commerce Appropriations Bill, calling on him to produce an index of Gross Sustainable Productivity , Congress has wisely laid the ground for the urgently needed revamping of the way in which measures of national well-being are prepared in the United States and around the world. We urge the Committee this year follow up on last year's initiative and provide additional encouragement to all the applicable institutions to pursue this directive.

To take one case study as an illustration, the World Resources Institute found that when Indonesia's damage to forest and farmlands was taken into account, the economic growth rate for the past fifteen years drops from 7% down to 4%. Traditional methods of calculating the Gross National Product (which is generally taken as a central measure of well-being for a country) do not take into account the loss of vital natural resources as a cost. Just as businesses provide an estimate of the depreciation of the buildings and equipment in their annual financial statements, the nations of the world need to subtract damage and destruction of the natural resource base as a cost in order to give an accurate picture of the health of the economy.

Mr. **Obey**. All right. Thank you. I have just a couple of quick comments.

I agree. I think the Administration request for UNEP is ridiculous. I think the Asian Bureau of AID has got their head on backwards when it comes to recognizing the linkage.

With respect to deforestation, I think we all had better face up to the fact that unless the developed world is willing to provide financial incentives for doing something other than chopping down those forests, they are not going to exist within a number of decades. We are once again seeing concern expressed, but not at a level that indicates that it is necessary to act on that concern.

Thank you very much.

Mr. **Blackwelder**. Thank you.

Wednesday, April 4, 1990.

UNION OF BLACK EPISCOPALIANS

WITNESS

ELLEN D. WASHINGTON, CORRESPONDING SECRETARY

Mr. **Obey**. Next we will hear from the Union of Black Episcopalians, Ellen D. Washington.

Good morning.

Ms. **Washington**. Good afternoon. [Laughter.]

Mr. **Obey**. I guess you are right.

Ms. **Washington**. I want to thank the chairman for the opportunity to testify on the issue of foreign assistance. I am speaking on behalf of the Union of Black Episcopalians, Washington Chapter. In its more than 20 years of existence, the Union has kept and keeps before it the spiritual and temporal life of African Americans in the United States, as well as our sisters and brothers throughout the world. Our goal is to free our church of racism in order that all may be free of the tyranny that embodies racism.

Today we speak in support of increased aid to Africa—specifically sub-Saharan Africa, and particularly Namibia.

We believe that our country should provide increased financial assistance in Africa using these four points as guidance: greater regard for the need of the people; give greater voice to the indigenous leadership on how that assistance would be used; de-emphasize military assistance; and look at a more just and humane method of debt repayment.

In most discussions about foreign assistance the question arises as to why the U.S. provides aid. One school says it is tied to our national defense and the exertion of influence. The other school of thought is that we are looking toward idealistic championing of democracy, human rights, and the well being of other people.

Whichever school of thought is accepted, there is a great deal of aid distributed. In a careful look at the distribution of that aid, we note that in the last decade ten countries have received about 70 percent of all U.S. bilateral assistance. Sub-Saharan Africa, during the same time frame, received 11.4 percent.

In looking at the distribution of aid, the Union of Black Episcopalians submits that the need and the intended use should have greater weight in determining where aid will go. In viewing what has become the age of the shrinking government budget, an important new look to redistributing U.S. aid dollars is mandated.

Even if we accept the view that foreign assistance is given primarily for our own self interest, it is in the best interest of the United States to provide adequate assistance to Africa. It is in our best interest to ensure that African nations become viable trading partners in the world's economy. It is in our best interest to ensure that African nations become self-sufficient. And it is in our best interest to be concerned and to act on that concern for persons who lack the basic necessities of life—food, water, clothing, shelter.

There is a vital connection between the provision of these necessities, the stability of nations, and the successful conduct of commerce and trade among nations.

Whatever our level of aid, that aid should de-emphasize military ends and concentrate on projects which the leadership in African countries has identified as high priority. There has been a dismal history of aid for projects which seemed well conceived on paper but which, when carried out, provided little or no benefit to the targeted population.

There are several organizations—many church-based—which are working today with the people in Africa to complete projects which move our African sisters and brothers toward greater self sufficiency. Africare is one of those organizations, and I direct you to their report for 1989 for a review of projects begun and completed.

Finally, the Union of Black Episcopalians recognizes the role that racism plays in the allocation of aid. Just as racism operates within the U.S. to deprive otherwise qualified persons of opportunities, we submit that the same attitude infects the decision-making process with regard to aid to Africa. Although there are several other factors which affect the viability of African nations—such as drought and debt restructuring, just to mention two—U.S. foreign assistance can have a significant impact on the persons living in African nations.

The Union of Black Episcopalians recognizes the need and calls on the Congress to provide the necessary financial assistance on an impartial, non-racist basis to hasten the day when African nations will be self-sufficient partners in a global economy.

I have attached to my testimony copies out of the African News and Christian Science Monitor.

Thank you.

[The prepared statement of Ms. Washington follows:]

The Union of Black Episcopalians
Washington Chapter

TESTIMONY OF ELLEN D. WASHINGTON
UNION OF BLACK EPISCOPALIANS

Subj: Foreign Assistance, before House Appropriations
Subcommittee on Foreign Operations

April 4, 1990

Thank you for the opportunity to testify on the issue of foreign assistance.

I am speaking on behalf of the Union of Black Episcopalians, Washington Chapter. In its more than twenty years of existence, the Union has kept and keeps before it the spiritual and temporal life of African Americans in the United States and our sisters and brothers throughout the world. Our goal is to free our Church of racism in order that all may be free of the tyranny that embodies racism. Today, we speak in support of increased aid to Africa, specifically Sub-Saharan Africa, and particularly Namibia.

We believe that our country should provide increased financial assistance in Africa using these four points as guidance:

1) greater regard for the need of the people
2) give greater voice to the indigenous leadership on how the assistance will be used
3) de-emphasize military assistance
4) look at a more just and humane method of debt repayment

In most discussions about foreign assistance, the question arises as to why the U. S. provides aid. One school says it is tied to our national defense and the exertion of influence. The other school of thought raises issues of the idealistic championing of democracy, human rights, and the well being of other peoples. Whichever school of thought is accepted, there is a great deal of aid distributed. In a careful look at the distribution of that aid, we note that in the last decade, ten countries have received about 70% of all U. S. bilateral assistance. Sub-Saharan Africa, during the same time frame, received 11.4%. (Source: Africa News)

In looking at the distribution of aid, the Union of Black Episcopalians submits that the need and the intended use should have greater weight in determining where aid will go. In viewing what has become the age of the shrinking government budget, an important new look to redistributing U. S. aid dollars is mandated.

Even if we accept the view that foreign assistance is given primarily for our own self interest, it is in the best interest of the U. S. to provide adequate assistance to Africa. It is in our best interest to insure that African nations become viable trading partners in the world's economy. It is in our best interest to insure that African nations become self-sufficient. It is in our best interest to be concerned and to act on that concern for persons who lack the basic necessities of life (food, water, clothing, shelter) in Africa. There is a vital connection between the provision of these necessities, the stability of nations, and the successful conduct of commerce and trade among nations.

Whatever our level of aid, that aid should de-emphasize military ends and concentrate on projects which the leadership in African countries has identified as high priority. There has been a dismal history of aid for projects which seemed well conceived on paper but which when carried out provided little or no benefit to the targeted population. There are several organizations, many church based, which are working today with the people in Africa to complete projects which move our African sisters and brothers toward greater self sufficiency. Africare is one of those organizations and I direct you to their report for 1989 for a review of projects begun and completed.

Finally, the Union of Black Episcopalians recognizes the role that racism plays in the allocation of aid. Just as racism operates within the U. S. to deprive otherwise qualified persons of opportunities, we submit that that same attitude infects the decision making process with regard to aid to Africa. Although there are several other factors which affect the viability of African nations, such as drought, debt restructuring, to mention but two, U. S. foreign assistance can have a significant impact on the persons living in African nations. The Union of Black Episcopalians recognizes the need and calls on the Congress to provide the necessary financial assistance on an impartial, non racist basis to hasten the day when African nations will be self sufficient partners in a global economy.

Respectfully submitted,

Elle D. Washington
Ellen D. Washington
Corresponding Secretary

Attachments

DEFINING U.S. INTERESTS

The Aid Debate

Early in 1989, the administration of President George Bush presented the U.S. Congress with its annual foreign aid appropriations request.

The total package for Africa – combining economic, military and emergency food aid – rose from $819 million in 1989 to $907.3 million in 1990.

The proposed allocation for economic assistance – which includes both "strategic" support to key U.S. allies as well as development aid – was $16 million less than the appropriation for 1984 and $98 million less than that for 1985. When inflation and the falling value of the dollar on world markets are taken into account, the drop is even steeper.

The 1990 request was a disappointment for advocates of increased aid to Africa. After two years during which the U.S. share of international economic support for Africa had begun to rise – from 9.8% in 1987 to 12.9% in 1989 – the 1990 request represented a renewed decline, to 12.2%.

The U.S. devotes a smaller percentage of its GNP to overseas aid than any major industrialized country: 0.2% compared to Japan's 0.3%, Germany's 0.4% and France's 0.5%. Only Sweden, Denmark, the Netherlands and Norway – the largest donor at 1.1% – have reached the 0.7% level that UN Secretary General Javier Perez de Cuellar has called "a relatively modest target."

"What is often not fully appreciated," said Rep. Howard Wolpe (D-MI), who chairs the House Subcommittee on Africa, "is America's national interest in providing assistance to Africa." Wolpe cited what he called economic, political and environmental interests as well as humanitarian concerns, giving as examples the need for the U.S. to find new export markets and the imperative of safeguarding the international environment.

During hearings on the appropriations request in March, the subcommittee heard testimony that reflected the growing public debate over not only the amount but also the philosophical foundations of U.S. aid programs to Africa. Deputy Assistant Secretary of State Alison Rosenberg argued the need to more than triple, from $25 million in 1989 to $85 million in 1990, the amount of Africa aid earmarked for military purposes. The level of military support must be raised, she said, "if the United States is to maintain any credibility with our African friends."

Rosenberg described the current objectives of aid to Africa as: promoting "a more pro-Western political and economic orientation in African countries, strengthening their impetus toward market-oriented economic reforms and self-reliant development strategies"; denying strategic influence to countries, such as Cuba, with "objectives inimical to our own"; continuing to work towards peace and racial justice in southern Africa; retaining military access, facilities or cooperation in east Africa, Liberia, Zaire and Chad; strengthening respect for human rights across Africa; sustaining the U.S. partnership "with key African states" in cooperation with European allies to limit Libyan influence; and supporting refugee and disaster programs.

That tone stood in sharp contrast to testimony from Peter Davies of InterAction, a consortium of 120 private voluntary organizations, who called for: long-term development planning; debt relief – including "debt forgiveness for some of the poorest countries" – to bolster the economic reform programs of African governments; a new willingness to let Africans at the local level help design and shape aid projects; the integration of women into the development process; increased cooperation by official aid organizations with both American and African private voluntary organizations; and increased attention to health, population and environmental issues.

Those differing emphases are characteristic of the current debate in Congress, private organizations and the administration on both the purposes and strategy of foreign assistance.

Official policy has always been ambivalent, says Alan Woods, administrator of the Agency for International Development (AID), which was established by President John Kennedy after Congress passed the Foreign Assistance Act of 1961.

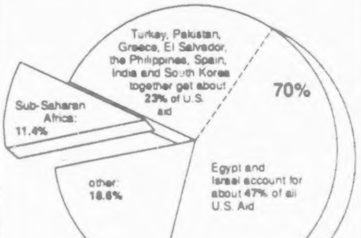
On the one hand, there is the idealistic championing of democracy, human rights and economic well-being for the recipients of U.S. assistance. On the other hand is the quest for advantage, influence and security by the United States, as exemplified in 1980 by John Brock during his confirmation hearings to become agriculture secretary. Brock told Congress that food is a weapon. "But the way to use that," he said, "is to tie countries to us. That way they'll be far more reluctant to upset us."

Despite the continuing divergence between a focus on security considerations and an emphasis on human welfare, there are signs of a search for some common ground. Almost everyone agrees that aid programs in Africa, whether governmental, multilateral or private, have largely failed. A 1989 AID report called "Development and the National Interest" presents a strong critique of past and present policies, as does a House Foreign Affairs Committee report on foreign assistance by a task force led by Lee Hamilton and Ben Gilman.

There is not yet a meeting of minds on solutions. The AID report continues to focus on a private sector approach to solving development problems, a view rejected by increasing numbers of private aid groups. "The private sector has been shown unable to produce self-sustaining development for any but the upper levels of society," says Steve Hellinger of the Washington, D.C.-based Development GAP (Group for Alternative Policy). The bipartisan Hamilton-Gilman report goes so far as to call for the replacement of AID with a new organization to foster economic growth with attention to the environment, poverty alleviation and democratic and economic pluralism.

Still, at least in part because of the increasingly strong views being articulated by Africans themselves, the 1990's may see mounting collaboration on projects that are more rooted in the realities of African communities. There is, says AID's Woods, "an emerging consensus" that "real development must come from the bottom up, not the top down." ■

Where U.S. Aid Dollars Go



In the last decade, ten countries have received about 70% of all U.S. bilateral assistance.

Source: U.S. Agency for International Development

Rebecca Kohler / Africa News

SHRINKING FUNDS

US Foreign Aid Reforms Urged

Proposal calls for reforming aid laws, closing the Agency for International Development

By Linda Feldmann

Staff writer of The Christian Science Monitor

WASHINGTON

THE United States' foreign development program has run aground.

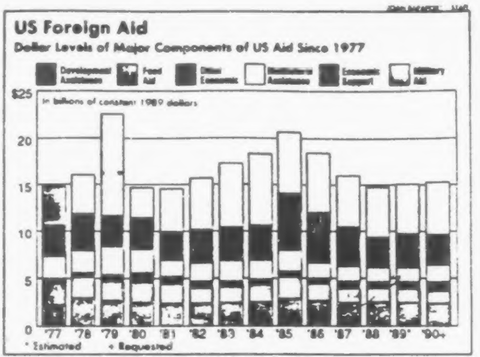
It tries to do too much with the available (and shrinking) funds. Red tape often prevents projects from being carried out in a timely and sensible way. Many of the assumptions that underpin the program, dating back to the Foreign Assistance Act of 1961, are obsolete.

This is a widely held view in Washington - across the political spectrum, among policymakers, and within the organizations both in and out of government that carry out the program.

The US Agency for International Development has become "like a fat boy with a bag of candy," says John Sullivan, a development consultant and former senior AID official. "People like to knock it down and take its candy away."

The drumbeat for reform has been growing louder for years. But this is the year, with a new administration in office, that some in Congress have decided to do something about it. A congressional task force, steered largely by Rep. Lee Hamilton (D) of Indiana, has recommended sweeping changes in the program. The proposals were presented earlier this month to the House Foreign Affairs Committee. Those on economic aid include:

- Throw out the heavily amended Foreign Assistance Act and enact a new "international economic cooperation act." The world - and the role of the US in it - has changed substantially since 1961. The 500 pages of foreign aid legislation that have accumulated contain ambiguous, inconsistent, and obsolete policies. "It is time to start anew," the report concludes.
- Dismantle AID and set up a new foreign aid agency, which must have the flexibility necessary to set up innovative and responsive programs and attract talented personnel. The report stresses the need for greater collaboration on global problems, and suggests the establishment of issue-specific technical institutes that would enhance the work of country-specific missions.
- Narrow the number of objectives from 33 to four - economic growth, environmental sustainability, poverty alleviation, and democratic and economic pluralism. Placing environmental concerns in these four categories would represent a major change in policy direction, says a senior Democratic aide involved in the task force.
- Allow greater flexibility in carrying out programs. This means eliminating most of the congressional conditions, restrictions, and earmarks that individually may have been worthwhile but collectively have produced confusion and bureaucratic gridlock. Funds would be appropriated on a "no-year" basis, rather than requiring they be obligated by the end of the fiscal year.
- Focus accountability on results rather than on spending the allotted money. AID managers spend too much time writing required reports that Congress doesn't have time to read. Thus, too little attention is paid to overall direction and impact of programs. The report concludes that the US aid agency must take more of the responsibility for evaluating programs and Congress must engage in more oversight, through a new subcommittee or ad hoc group.
- Improve coordination among US aid agencies, with other donor countries, and within recipient countries.



Source: Task Force on Foreign Assistance to the House Foreign Affairs Committee

IN effect, the task force has proposed an end to congressional "micromanagement" of the US AID program.

"They're asking Congress to stop being Congress," a ranking AID official says.

In an interview, Representative Hamilton called the report a general framework within which Congress and the Bush administration can work together to create a new US foreign aid system.

"There will be no major change unless the executive branch can get support of major parts of it," Hamilton says.

It is too soon to tell how the new Bush administration will respond. But according to various sources, AID administrator Alan Woods has reacted favorably to the overall direction of the task force report. AID will release its own report later this month.

Already, the naysayers are predicting an entire new foreign aid bill can't be put through this year. Getting congressmen to agree to wipe away years of legislation that bears their names can't be done, they say.

"That's what they said about tax reform and the trade bill," a task force aide responds.

The chairman of the House Foreign Affairs Committee, Rep. Dante Fascell (D) of Florida, is keen to get out in front of the Senate and the House Appropriations Committee and put a bill to a vote by April.

Rep. Benjamin Gilman (R) of New York, the minority chair on the task force, agrees that the committee should work quickly but takes issue with some of the report's recommendations. "I don't see the need to start from scratch," he says. "We can restructure AID and amend the Foreign Assistance Act without starting over."

The prospect of no more earmarks - guarantees set by Congress of how money will be spent - has thrown some interest groups into a panic. The Population Crisis Committee, for example, fears that elimination of earmarks will jeopardize money designated for the politically sensitive issue of global family planning.

The Washington-based Development Group for Alternative Policies has broader criticisms about the proposed reforms.

"The report fails to recognize what third-world nations are doing for themselves," says Steve Hellinger, a group founder. "And it has few recommendations for involving third-world people in the formation and implementation of policy."

There is a "myth," Mr. Hellinger says, in the large US aid community that the technical expertise needed to help the third world is here in the US. "Thousands of jobs here depend on that myth." He also faults the proposed reforms for not separating long-term development from short-term US foreign policy goals.

Israel and Egypt Get the Lion's Share

WASHINGTON

UNITED States foreign aid isn't what it used to be.

In dollar amounts, the US has traditionally been the world's leading donor. Japan now holds that honor. As a percentage of gross national product, US aid is down to less than 0.3 percent - an all-time low for the US and lowest among Western nations.

The percentage of US aid to development-related programs is now less than 40 percent, down from nearly 50 percent in the late '70s. Military aid, which hovered at levels of 25 percent to 30 percent, went up to more than 40 percent in the mid-'80s. It has been at 36 percent over the last three years. Economic support funds - aimed at supporting US national-security goals - have varied from 20 to 25 percent.

Since 1977, Israel and Egypt have received 47 percent of all US aid. Since 1979, those two countries, plus Turkey, Pakistan, Greece, El Salvador, the Philippines, Spain, India, and South Korea, have received about 70 percent of all US bilateral aid.

In 1970, about half of all US foreign aid was in the form of grants. Now more than 90 percent is in grants.

- Linda Feldmann

Mr. OBEY. Thank you very much.

WEDNESDAY, APRIL 4, 1990.

TURKISH CYPRIOT CULTURAL & EDUCATIONAL ASSOCIATION OF USA, INC.

WITNESS

JOSEPH D. YOUSSOUF

Mr. OBEY. Next we will hear from Joseph Youssouf, Turkish Cypriot Cultural & Educational Association.

Mr. YOUSSOUF. Thank you, Mr. Chairman.

Once again, I appreciate the opportunity to appear before you to talk about something that we consider to be extremely important which, of course, is the continuing request for security assistance for Turkey in fiscal year 1991.

Now, once again, the drum beats are heard on the Hill, so to speak, that foreign assistance should be reduced to Turkey because of the Turkish military presence in northern Cyprus. In fact, Congressman Mrazek announced the formation of the Congressional Working Group for a Just Settlement on the Cyprus Problem. Within the press release that he issued was the following statement: "If the Cyprus situation does not change, that portion of Turkey's aid which helps maintain the division of Cyprus may be in jeopardy this year."

Now, the speakers who preceded me on this topic this day said basically the same thing. They said that they supported Congressman Broomfield's and Yatron's call for major reductions in United States assistance to Turkey on the basis of the Turkish position in Cyprus.

There is no question that Cyprus is a key element in an evaluation of what we should do with our foreign assistance, but the question really is more complex than might appear at first blush.

The people who say that it is in the United States' interest to reduce foreign assistance to Turkey because of its military presence on Cyprus fail to ever present any rationale or analysis that demonstrates the validity of their opinion as to why it is in our nation's interest.

I think that is because a careful examination of Cypriot history would reveal the presence of Turkey on Cyprus is the direct result of a request by the Turkish Cypriot people and events that transpired in the period between 1960 and 1974.

What is at stake on Cyprus today is, in fact, something that is extremely important to us as Americans, and that is the basic freedom of a people to self-determination.

When the Republic of Cyprus was formed in 1960 in the post-colonial world that followed the second World War there were two founders of that republic—the Turkish Cypriot community and the Greek Cypriot community. But a careful examination of the rhetoric which has occurred since 1974 indicates that the Greek Cypriots consider the Turkish population to be a mere minority in an island that they claim ownership to and which they actively tried to join with Greece prior to 1974.

Unfortunately, that attitude is very much alive today, and that attitude indicates that a just and lasting solution to the Cyprus problem is not likely at this juncture.

Greek intransigence on this point has been manifested today. It has been manifested consistently since 1974. There is no question that their arguments have been heard. There is no question that our government has reacted. But the question that still remains unanswered is what is in our nation's best interest.

I respectfully submit, Mr. Chairman, that a careful reexamination of the Cyprus issue is in order. I further submit that that examination would reveal that the Turkish Cypriots have created a democratic government that functions, that works, that has a voter turnout in excess of 87 percent; that the voter turnout elected President Rauf Denktash president of the Turkish Republic of Northern Cyprus; that the Turkish Cypriot people exercised an inherent right recognized by our government, embodied in our Declaration of Independence, recognized in United Nations documents from the inception of the United Nations to today, and that is the right of self-determination.

Now, the question is: if we adopt the position advocated by proponents of the Greek Cypriot view, the United States would be effectively endorsing an anti-democratic position. It would be saying that the Turkish Cypriots should be compelled to live with people they don't want to live with, that they should be compelled to give up their national identify, that they should be compelled to terminate the existence of the Turkish Republic of Northern Cyprus.

What aim? What purpose does that serve?

It would make the Greek Cypriots extremely happy to see their long sought-for desire become a reality, but it would not serve American national interest. What it would do is act as a betrayal of those rights which we hold the most sacred.

I quote in the brief paper that I submitted to you something that I think is relevant and extremely insightful that was said by the recently-deceased professor, William Appleman Williams, in a book written in 1976 entitled America Confronts a Revolutionary World. Professor Williams said: "The act of imposing one people's morality upon another people is an imperial denial of self-determination."

I respectfully submit, Mr. Chairman, that to use American foreign assistance as a level to obtain a goal that the people of Turkish Northern Cyprus do not want to obtain would be an imperial act of denial of self-determination that has been condemned and is historically unjustified and would betray our basic ideals. So I ask that, as you consider these issues, please look with an open mind to the very complex and very important issue.

I thank you for the opportunity to speak.

[The prepared statement of Mr. Youssont follows:]

STATEMENT OF JOSEPH D. YOUSSOUF, ESQUIRE ON BEHALF OF THE TURKISH CYPRIOT CULTURAL AND EDUCATIONAL ASSOCIATION OF THE UNITED STATES OF AMERICA, INC. BEFORE THE HOUSE SUBCOMMITTEE ON FOREIGN OPERATIONS, COMMITTEE ON APPROPRIATIONS

ON APRIL 4, 1990

Dear Mr. Chairman and Members of the Subcommittee:

Thank you for giving me this opportunity to appear before the subcommittee on behalf of the Turkish Cypriot Cultural and Educational Association of the United States of America regarding FY91 Security Assistance for Turkey.

On February 23, 1990, Congressman Mrazek announced the formation of the "Congressional Working Group for a Just Settlement of the Cyprus Problem in 1990." Contained within the Press Release announcing the formation of this Working Group was the following statement:

> "If the Cyprus situation does not change that portion of Turkey's aid which helps maintain the division (of Cyprus) may be in jeopardy this year."

On March 8, 1990, Congressmen Broomfield and Yatron called for major reductions in United States security assistance levels to Turkey because of what they charecterize as Ankara's illegal occupation of Cyprus.

It is clear that the proponents of reductions in aid to Turkey believe that it is in our national interests to pressure Turkey into reducing its military presence on Cyprus and to compel the Turkish Cypriots to accede to Greek Cypriot demands for the dissolution of the Turkish Republic of Northern Cyprus. Advocates of this position, cannot and have not explained how these twin goals further our national interests.

The noted historian, William Appleman Williams, in his book entitled America Confronts a Revolutionary World: 1776 - 1976 noted:

> The act of imposing one peoples morality upon another people is an imperial denial of self-determination...

To use American aid as a tool to pressure Turkey into withdrawing its troops from Northern Cyprus and to compel the Turkish Cypriots to abandon their independence, is precisely the kind of wrong-headed denial of self-determination that Professor Williams warned against.

It is respectfully submitted that what is at stake on Cyprus is the fundamental right of a people to self-determination. What has been ignored and overlooked in this continuing debate is the fact that Turkey is in Cyprus at the invitation and request of the Turkish Cypriot people. Turkey's 1974 military intervention in Cyprus was carried out pursuant to valid subsisting international treaties for the purpose of preserving the existence of and insuring the security of the Turkish Cypriot community. Turkey's military presence on the island of Cyprus has brought something to that troubled isle which has been a rare historical commodity indeed, namely peace and non-violence. It is beyond dispute that since Turkey intervened in Cyprus, there has been no armed conflict between the two communities of Cyprus. Yet advocates of a so-called negotiated settlement upon a unilateral withdrawal of the very troop's that brought peace to Cyprus.

The Turkish Cypriots voluntarily created their own government and adopted a democratic constitution. President Rauf Denktash was elected to office by the vast majority of the Turkish Cypriot voting population and he speaks as the duly elected representative of his people. The Turkish Republic of Northern Cyprus represents the culmination and embodiement of the democratic aspirations of a people who had long endured racial, ethnic and religious discrimination at the hands of the Greek dominated central government of the Republic of Cyprus. Why is it in our nations interest to compel a dissolution of that Republic?

As Americans, we cherish the words of our Declaration of Independence, which embodies the principle of self-determination. Our nations dedication to the principle of self-determination is witnessed by that principles inclusion in the United Nations charter. In fact, Article I, Paragraph 2 of that document clearly states that the purposes of the United Nations are to "...develop friendly relations among nations based on the respect for the principle of equal rights and self-determination of peoples..." Time and again the United Nations have adopted declarations and resolutions which reiterate basic support for the principle of self-determination.

In the "Declaration on the Granting of Independence to Colonial Countries and Peoples" adopted December 14, 1960, the United Nations declared:

> "All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development."

The importance of self-determination was reiterated in the International Covenant on Economic Social and Cultural Rights which was adopted by the United Nations general assembly on December 19, 1966.

In Eastern Europe and in the Soviet Union we are witnessing a rebirth of democracy and freedom. In fact, the Congress is actively advocating the right of self-determination for various oppressed peoples throughout the world. Yet, when it comes to Cyprus the Congress has consistently chosen to close its eyes to the realities of Cypriot history and blindly accept the one sided and unfair interpretation of that history advanced by Greek Cypriots.

As the Congress considers foreign assistance to Turkey, I ask that it disavow the position advocated by Congressman Mrazek and several of his colleagues that foreign assistance should be used to force a settlement of the Cyprus dispute along the lines advocated by Greece and Greek Cypriots. To adopt the position advocated by Congressman Mrazek and his colleagues would be unjust and would betray the great tradition of our nations support for the right of self-determination of all peoples. I ask the Congress to refrain from ill-considered and precipitous action against Turkey as it deals with the important issues of foreign assistance.

Respectfully submitted,

JOSEPH D. YOUSSOUF

Mr. OBEY. Thank you very much.

WEDNESDAY, APRIL 4, 1990.

NATIONAL COOPERATIVE BUSINESS ASSOCIATION

WITNESS

FRANK SOLLARS, FORMER CHAIRMAN

Mr. OBEY. Next we will hear from the National Cooperative Business Association, Frank Sollars.

Mr. SOLLARS. Thank you, Mr. Chairman, and good afternoon. My name is Frank Sollars. I am the past Chairman of the Board of the Nationwide Mutual Insurance Company, the National Cooperative Bank, and the National Cooperative Business Association. I am also an Ohio farmer and a lifelong member of several cooperatives. I have worked hard over the pat years to foster greater understanding among American and East European farmers and their cooperatives.

On behalf of the National Cooperative Business Association and 90 million Americans who are members of 45,000 cooperatives, I am honored to have the opportunity to testify here today.

The NCBA has served U.S. cooperatives both domestically and internationally for over 70 years. Since World War II, the NCBA has been directly involved in scores of countries on our own initiative and others in the development of cooperatives under contract with AID.

I am concerned today that as we prepare as a nation to welcome Eastern Europe into the community of democracies, we are not recognizing and taking advantage of existing opportunities. I'm talking about cooperatives.

Presently there are 100 million members of cooperatives in Eastern European countries and the USSR. Most of the Eastern European cooperatives were formed decades before the countries were taken over by the communists. Notwithstanding this existing institutional and marketing structure, I have seen precious little in our emerging legislation which recognizes the existence of the cooperative business structure and the enormous momentum for development which could be developed by working with it.

I know I speak for all American cooperatives—whether they be agricultural, consumer, insurance, health, or you name it—when I urge you to make use of our cooperative system to develop free market economies and introduce democracy in Eastern Europe and the USSR.

The first priority should be given to privatizing and democratizing cooperatives taken over by government and placing them back in the hands of their members. The development of the Eastern European economies will be quicker and more cost-effective to the extent that they can build on existing resources and take advantage of the productive infrastructure—both human and institutional—already in place.

Over the past five years I have traveled Eastern Europe extensively and have hosted many delegations at my farm. I am sensitive to their problems and their needs, and I know that the right approach is to engage our American cooperatives intensively in their development process.

A side note is I have a group that will be visiting our farm all day this coming Sunday from Czechoslovakia. I have had them from Czechoslovakia, the USSR, Hungary, and Poland. The thing I think that impresses them the most is that I have four sons that farm, and they can't believe how my boys work. They said if they could just get their people to work that hard—of course, I explained why. [Laughter.]

A quick and efficient way to accelerate this engagement would be for this committee to consider a special trade package of approximately $5 million over five years to permit the U.S. cooperative sector to provide technical assistance and market development services to develop trade linkages and joint ventures with the cooperatives of Eastern Europe.

We believe that this start-up funding would help establish a long-term, dynamic relationship among our cooperative organizations and go a long way to institutionalizing a democratic, free approach to economic reform in Eastern Europe. U.S. cooperatives would be expected to participate in the funding of this trade package. I want to underline this. U.S. cooperatives would be expected to participate in the funding of this trade package. The NCBA and its members stand ready to work with Congress on this issue.

As our Association's testimony points out, there is a long and successful tradition of the U.S. Congress using cooperatives to revitalize and build economies during periods of crisis.

First, look at the role of cooperatives created by Congress in winning the war against the 1930s depression in rural America. Many of the ideas of that period—like rural electric cooperatives and credit unions—have been successfully exported to many developing countries.

Second, the President of the NCBA was appointed by the U.S. Government to the United Nations Food Conference in 1943. This conference and subsequent conferences looked at how cooperatives could play a role in the reconstruction of Europe. The conference reported that cooperatives were so widespread throughout Europe they represented a practical, efficient, and nonprofit method of distribution. That is as true for Eastern Europe now as it was in 1940.

Western European cooperatives representing their 100 million members are already at work building trade bridges to their counterparts in the east. For example, the Italian cooperatives are already trading with the Soviet cooperatives; the German agricultural cooperative bank is in a joint venture bank in Budapest with the Hungarian agricultural cooperatives; and the national consumer cooperative organization of Eastern European countries are now trading members of Inter-coop. Inter-coop is the buying link for 3,000 consumer cooperatives in Europe which have an annual sales of over $30 billion.

Third, Congress has consistently funded cooperative development in the Third World as a means of extending democracy and fostering economic growth. The U.S. Government's success story with cooperatives in the developing world has much application in Eastern Europe and the USSR.

The NCBA has received many requests for assistance from cooperatives in Eastern Europe. With our assistance these cooperatives could be participating in the emerging free market economy. In addition, the cooperatives are a training ground for democracy and self-government. As President Woodrow Wilson said, "The highest form of efficiency is the spontaneous cooperation of a free people."

As our written testimony will show, if we focus on rebuilding the cooperatives we will have created a great opportunity.

I thank you very much.

[The prepared statement of Mr. Sollars follows:]

TESTIMONY

Presented By

FRANK SOLLARS

On Behalf of

THE NATIONAL COOPERATIVE BUSINESS ASSOCIATION

before the

HOUSE APPROPRIATIONS SUB COMMITTEE ON FOREIGN OPERATIONS,

EXPORT FINANCING AND RELATED PROGRAMS

April 4, 1990

Mr. Chairman and Committee members - good morning. My name is Frank Sollars. I am past Chairman of the Board of Nationwide Mutual Insurance Company, the National Cooperative Bank and the National Cooperative Business Association. I am also an Ohio farmer and a lifelong member of several cooperatives and I have worked hard over the past years to foster greater understanding among American and East European farmers and their cooperatives.

On behalf of the National Cooperative Business Association and 90 million Americans who are members of 45,000 cooperatives, I'm honored to have the opportunity to testify here today. The NCBA has served U.S. cooperatives both domestically and internationally for over 70 years. Since World War II the NCBA has been directly involved in scores of countries on our own initiative and others in the development of cooperatives under contract to AID.

I am concerned today that as we prepare as a nation to welcome Eastern Europe into the community of democracies, we are not recognizing and taking advantage of existing opportunities. I'm talking about cooperatives.

In the Eastern Euorpean nations political democracy is returning. However, democracy at birth is a fragile instrument. One way to strengthen political democracy is to create deomcracy at many other levels in society. The fostering of political parties, trade unions, and professional societies all are of value. However, cooperatives are unique; they are both a deomcracy and an economic enterprise. They must meet the needs of their members yet operate within a market economy. They must create efficiencies through scale yet serve the individual member.

In nations such as we are targeting, economic dislocation is inevitable and painful. Things will get worse before they get better as the market economy replaces the planned economy. During this massive transition, cooperatives can help their members work together to create new structures for the cooperative and for the new economic strategy.

There are over 100 million members of cooperative in Eastern Europe and the USSR. For nearly 150 years the cooperative have helped their members. However, stymied by govenrment and political interference from first the Nazis and then the Communists, the cooperatives are now returning to member control. With their billions of dollars of volume, and millions of staff, cooperatives are found in every village of Eastern Europe. Especially critical to the re-organization of agriculture and the rural economy, coopreatives are often the most important business fo the community. Notwithstanding this existing institutional and marketing structure, I have seen precious little in our emerging legislation which recognizes the existance of the cooperative business structure and the enormous momentum for development which could be developed by working with it.

I know I speak for all American cooperatives whether they be agricultural, consumer, insurance, health - you name it - when I urge you to make use of our cooperative system to develop free market economies and introduce democracy in Eastern Europe and the USSR. First priority should be given to privatizing and democratizing cooperatives taken over by government and placing them back in the hands of their members. The development of the Eastern European economies will be quicker and more cost-effective to the extent they can build on existing resources and take advantage of the prodcutive infrastructure - both human and institutional - already in place.

Over the past five years I have travelled Eastern Europe extensively and have hosted many delegations at my farm. I am sensitive to their problems and their needs and I know that the right approach is to engage our American cooperatives intensively in their development process.

A quick and efficient way to accelerate this engagement would be for this Committee to consider a special trade package of approximately $5.0 million over five years to permit the U.S. cooperative sector to provide technical assistance and market development services to develop trade linkages and joint ventures with the cooperatives of Eastern Europe. We beleive that this start-up funding would help establish a long term dynamic relationship among our cooperative organizations and go a long way toward institutionalizing a democratic free enterprise approach to economic reform in Eastern Europe. U.S. cooperatives would be expected to participate in the funding of this trade package. We envision the cooperative trade and development package of $5.0 million financing the following:

1) A U.S./Eastern European Cooperative Business Development Center in the area to promote trade and joint ventures;

2) Provide technical assistance to Eastern European Cooperatives in the production and marketing of product;

3) Provide training of Eastern Europeans to represent U.S. cooperatives interested in marketing U.S. products in this area;

4) Provide management services to Eastern European cooperative in the area of planning, finance, accounting and law;

5) Establish an equity fund to permit Eastern European cooperatives to invest in the equity of joint ventures and match the equity investment of U.S. cooperatives in joint ventures. The NCBA and its members stand ready to work with Congress on this issue.

As our Association's testimony points out, there is a long and successful tradition of the U.S. Congress using cooperatives to revitalize and build economies during periods of crisis.

First, look at the role of coops created by Congress in winning the war against the 1930's depression in rural America.

Many of the ideas of that period like rural electric coops and credit unions have been successfully exported to many developing countries.

Second, the President of the NCBA was appointed by the U.S. Government to the United Nations Food Conference in 1943. This conference and subsequent conferences looked at how cooperatives could play a role in the reconstruction of Europe. The conference reported that cooperatives were so widespread throughout Europe they represented a practical, efficient, and non-profit method of distribution. That is as true for Eastern Europe now as it was in 1940.

Western European cooperatives representing their 100 million members are already at work building trade bridges to their counterparts in the east. For example: the Italian coops are already trading with the Soviet coops; the German agricultural coop bank is in a joint venture bank in Budapest with the Hungarian agricultural cooperatives; and, the national consumer cooperative organization of Eastern European countries are now trading members of Inter-coop. Inter-coop is a buying link for 3,000 consumer cooperatives in Europe which have annual sales of over 30 billion dollars.

Third, Congress has consistently funded cooperative development in the Third World as a means of extending democracy and fostering economic growth. The U.S. government's success story with cooperatives in the developing world have much application in Eastern Euorpe and the USSR.

The NCBA has received many requests for assistance from cooperatives in Eastern Europe. With our assistance these cooperatives could be participating in the emerging free market economy. In addition, the coops are a training ground for democracy and self-government. As President Woodrow Wilson said, "The highest form of efficiency is the spontaneous cooperation of a free people."

Thank you Mr. Chairman and honorable members.

Mr. OBEY. I thank you, and I agree with much of what you said.

WEDNESDAY, APRIL 4, 1990.

INTERNATIONAL READING ASSOCIATION

WITNESS

ALAN FARSTRUP, DIRECTOR OF RESEARCH & DEVELOPMENT

Mr. OBEY. Next we will hear from Doctor Alan Farstrup for the International Reading Association.

Mr. FARSTRUP. Mr. Chairman, I want to thank you for the opportunity to testify. I am here to speak essentially on the importance of multilateral, multinational cooperative efforts in support of basic education and literacy development.

Worldwide, over 960 million adults cannot read, write, or compute. Over 100 million children of school age have not been enrolled in school, and of those that are enrolled over two-thirds drop out.

This level of illiteracy is really unacceptable. It perpetuates poverty, poor health, and a lack of political independence.

I represent the International Reading Association. We are an organization with over 300,000 members and affiliate members in over 80 nations. Our members are dedicated to the promotion of literacy worldwide.

Illiteracy is not simply an education problem; it is an economic and a social one—one that impacts every nation's ability to build its economy and strengthen society.

Literacy is also a very complex phenomenon. Being illiterate is not simply being without the ability to decode graphic symbols. In contrast, to be literate is to have the ability to take in information from new sources and use it properly.

Literacy helps develop the ability to understand relationships. It allows people to exert a positive control over their lives and destinies. In fact, literacy, we believe, is a prerequisite for personal fulfillment and freedom. It permits the conditions under which democracy can flourish and economies can grow.

The Association believes that programs need to be supported that use literacy as a part of larger social welfare, health, job training, economic development, and other programs. In short, there is a need for coordination and cooperation.

Illiteracy is a problem that can be addressed effectively, especially and only if governments, foundations, multinational agencies, non-governmental organizations, and others find ways to work together effectively on many levels.

The recent World Conference on Education for All held in Thailand provides an excellent example of how such groups can work together to plan concrete measures for universal access to a basic education. The declaration that resulted from this conference and its framework addresses the importance of long-term commitment, national plans, national goals that are realistic and measurable, improvements in basic educational structures—with special attention to improvements in teacher training—and understanding the importance of the total social and learning environment.

Critical to the success of these kinds of programs will be the involvement of multi-national organizations like the World Bank, United Nations Development Program, UNICEF, and UNESCO.

For example, UNICEF is emerging as an even more important resource by expanding its base to add child development to its set of goals, along with child survival.

The World Bank is pledging its support with increased loans for basic education.

UNESCO, even without U.S. participation, is expanding its programs for basic education.

The International Reading Association supports these efforts; however, talk of cooperation will not be enough. The Association calls for more support to improve basic education. Schools need to be built, teachers trained, and materials developed. Improvements need to be made so that innovative media can be developed to support instruction. For example, USAID makes effective use of radio for low-cost distance learning, but much more could be done with not only radio, but television, videotapes, interactive networks, and computer technology, in addition to traditional print media.

To improve basic education the United States Government needs to support the directions outlined in the declaration and framework on the World Conference on Education for All. The $135 million that USAID provides for education needs to be increased. The U.S. should rejoin UNESCO now. It needs to clearly articulate its conditions for rejoining this important world body, but it is time for the U.S. to resume its positive role within UNESCO, and the International Reading Association strongly supports this reentry.

In conclusion, events in Eastern Europe and the world have dramatically changed geopolitical landscapes. We must support these changes through better education and through support for integrated literacy efforts.

Basic education and literacy—universal literacy—is essential if we are to realize the fullest and best potential of these changes.

Together, we have the knowledge and the skill to effectively promote universal literacy. We must demonstrate the will to make that dream a reality through a genuine commitment to multi-national efforts to promote basic education and worldwide literacy.

Thank you for the opportunity to testify.

[The prepared statement of Mr. Farstrup follows:]

THE TESTIMONY OF

ALAN FARSTRUP, PH.D.

DIRECTOR OF RESEARCH AND DEVELOPMENT

INTERNATIONAL READING ASSOCIATION

BEFORE THE

SUBCOMMITTEE ON APPROPRIATIONS

FOR

FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS

OF THE

U.S. HOUSE OF REPRESENTATIVES

APRIL 4, 1990

Mr. Chairman and members of the House Subcommittee on Appropriations for Foreign Operations, Export Financing, and Related Programs; worldwide over 960 million adults cannot read, write, or compute. Over one hundred million children of school age have not been enrolled in school and over two-thirds who are enrolled in school drop out. The level of illiteracy reflected in these figures perpetuates poverty, poor health, and a lack of political independence. These conditions should not and must not be allowed to exist. We know how to teach literacy.

The International Reading Association (IRA) is a professional association with over 300,000 members and affiliate members in over 80 nations throughout the world. Our membership includes classroom teachers, reading specialists, professors, adult educators, psychologists, researchers, and parents. Our mission is to insure that more people learn how to read so that they may function to their fullest potential within their societies. We produce four journals, and annually publish over fifteen specialized books and monographs, along with conducting international, national, regional and local meetings with our over twelve hundred councils.

Illiteracy is not simply an education problem, it is an economic and a social problem, one that impacts every nations' ability to build its economy and strengthen its society. Examples of areas influence by literacy are many, heavy machinery cannot be fully utilized unless there exists an educated and literate work force to manage and maintain it. Communications can not be developed without a literate work force, governments -- even local school authorities cannot be effective unless the citizens can read and write. Disease control without adequate literacy is virtually impossible, mothers will not cover cooking pots unless they know that insects can carry diseases that will hurt their families. The impact of birth control programs is reduced when illiterate individuals do not know the cause and effect patterns of their behaviors.

Being illiterate is not simply being without the ability to decode graphic symbols; it is also the ability to take in information from new sources and use it properly. A health worker trying to teach mothers about the airborne diseases their children suffer will not be able to convince anyone who does not have the full understanding of cause and effect patterns to change their habits. Literacy helps develop the ability to understand relationships, it allows people to exert a positive control over their lives and destinies.

To develop literate societies, programs need to be supported that use literacy as part of social welfare programs, health programs, job training programs, economic development programs and more. IRA members know from experience that illiteracy is not simply the dilemma of a single individual, it is a community and family problem and need. As Scribner and Cole (Psychology of Literacy, 1980) point out in their ten year study of literacy in Africa, individuals will learn how to read and write when there is a reason to invest themselves. Trying to teach adults how to read, as an isolated skill without a clearly defined goal or benefit, will not solve the world's literacy needs. Building classrooms and placing children of illiterate parents in rooms with teachers will not likely end illiteracy within one generation. Literacy is a family and a community problem, one that is related to a societies and an individuals perceived need for literacy. Lack of literacy is not a problem that will be solved simply by focusing on children or adults; rather by focusing on all, within a meaningful societal context.

Illiteracy is a problem that can be solved by developing and supporting the concept that literate societies are possible if governments, foundations, multinational agencies, non-government organizations, and others work together on many levels. The recent WORLD CONFERENCE ON EDUCATION FOR ALL in Bangkok provides an excellent example of how it is possible to bring govermments, non-government organizations, and multi-national agencies together to plan concrete measures for universal access to a basic education. The Declaration that resulted from this conference, and its Framework for Action, addresses the need for:

1) Long term commitment,
2) National plans for implementation,
3) National goals that are realistic and measurable,
4) Improvements in each nations basic educational structure, with attention to improvements in teacher training, and program improvement,
5) Understanding of the importance of the total learning environment, including nutrition, pre-school programs, and health needs, and
6) Formulation of a set of policies designed to integrate basic education efforts into job training, social welfare, and a host of other programs.

Critical to the success of this kind of program will be the involvement of multinational organizations such as the World Bank, the United Nations Development Program, Unicef, and

Unesco. These four organizations have sponsored this movement to improve basic education and literacy. They are making a series of important commitments to expand their work critical areas of economic and human development by systematically expanding and targeting their activities. Unicef is expanding its base to add child development to its set of goals, along with child survival. The World Bank is pledging its support with increased loans for basic education. Unesco, even without U.S. participation, is expanding its programs for basic education. But these organizations are not alone in their efforts.

The United States Agency For International Development was also one of the co-sponsoring agencies for the World Conference on Education For All. U.S. A.I.D. has been supporting the concept that the donor community can work more effectively, at a time of shrinking resources, by working together. It is hoped that, with this cooperation, more nations will change their educational programs in ways that will make them more effective.

Many non-government organizations, such as the IRA, are also expanding their programs and coordinating efforts with donor agencies and the national programs. For example, the IRA is supporting the development of libraries in Ghana, donating books to Jamaica, and providing professional development programs to parts of Africa and Asia. NGO's have been, and will continue to be, providers of needed services.

However, all of this will not be enough.

More support will be needed to improve basic education. Schools need to be built, teachers trained, and materials developed. New ideas will also have to be integrated into the old. The technology to develop mini-books by local authors for local schools needs to be supported. Teams of volunteer teacher-trainers need to be sent to developing nations to work with local teachers on more effective ways of reaching and enriching their students. Improvements need to be made so that media can be developed to support instruction. For example, U.S. A.I.D. makes effective use of radio for low cost distance learning; but much more could be done with television, video tapes, interactive networks, and computer technology.

To improve basic education the U.S. government needs to support the directions outlined in the Declaration and Framework of the World Conference on Education For All. The $135 million that U.S. A.I.D. provides for education needs to be increased. The U.S. should rejoin Unesco. Unesco is a unique multi-national forum that combines the world's resources to provide support for many educational programs. Over sixty percent of its budget supports educational programs. The U.S. needs to clearly articulate its conditions for rejoining this important world body, not simply restate perceptions of problems with vague hints at rejoining if certain problems are solved. It's time for the U.S. to resume it's positive role within Unesco.

One of the most exciting events over the past year has been the emergence of Unicef as a leading organization in the area of child development. Unicef's emphasis on child survival has contributed to the health and well-being of millions of children. Now, with an expanded Unicef focus on education, we believe that even greater improvements in child development will be achieved. We hope that this committee continues to support the work of Unicef.

Mr. Chairman, and members of the Appropriations Subcommittee on Foreign Operations, events in Eastern Europe have dramatically changed the geo-political landscape. But a dichotomy exists. We have the ability to communicate with almost everyone on the planet by radio or telephone from this room in Washington, D.C.; but how many people can read the numbers on the dial or read and write the messages we send?

We have the knowledge and skill to teach everyone how to read; we need the will to make that dream a reality.

Mr. OBEY. Thank you very much.

WEDNESDAY, APRIL 4, 1990.

UNRWA FUNDING

WITNESS

HON. WAYNE OWENS, A U.S. REPRESENTATIVE FROM THE STATE OF UTAH

Mr. OBEY. Next we will hear from Congressman Wayne Owens.

Mr. OWENS. Thank you, Mr. Chairman. I very much appreciate your willingness to let me urge you onward in funding for UNRWA today—an area in which I know you, Mr. Chairman, have shown a great deal of interest in the past, as has the committee.

I have a statement prepared which I would ask you to insert in full in the record, if you would be kind enough, and I will spare the chairman the pain of listening to it all.

I would like to make two or three major points.

UNRWA is the United Nations Relief Works Administration, the agency which administers schools and health clinics and other services to 2 million refugees in Jordan, Lebanon, the West Bank, Gaza, and Syria, as you know. These are basically the old and the young.

These people are the political football in the Middle East. They are ignored by the Arab states, unfortunately, who have immense amounts of resources and could put them in, if they would, and they are basically ignored by the rest of the world and have been heavily American-dependent in the past. We pick up something like two-thirds of their cost, and that is very commendable.

What is not commendable is that in the last few years we have been cutting down on our funding to them at a time when, given the Intifadeh—now we are in the 28th month—and the special problems that that has caused in areas of health and other funding needs. We have been cutting down.

The Administration last year took $10 million out of funding to put in other areas of refugee pressure. This year they have requested, to their credit, to go back up to $63.5 million. But you know, Mr. Chairman, four years ago we were funding it a $67 million. I have personally visited almost half a dozen times on the West Bank in the last two and a half years and feel like I am as intimately acquainted with their problems as anyone in Congress probably. I am also aware that they are not the only refugee problem in the world. But this is a major one, and the abuses that are perpetrated on these people by being ignored by all sides to the Middle Eastern dispute ought not to be redoubled by the United States cutting its interest in its funding.

I only simply, without multiplying words beyond that, ask you, Mr. Chairman, that you consider returning funding beyond that which the Administration proposes to where we were four years ago—$67 million. That doesn't really return us, because that gives no inflation for those four years. But if we could go back to the $67 million, that would say to the world that we are concerned and we are determined to try to maintain America's role over in that otherwise largely-forgotten place of the world. Those people are, as I pointed out, the young and the old basically who profit and who are served by this. I would hope that the committee might be able to, in wisdom and for a good purpose, return this program to its funding of four years ago.

[The prepared statement of Mr. Owens follows:] –

Statement by Rep. Wayne Owens
Before the Subcommittee on Foreign Operations, Export Financing and Related Programs
April 4, 1990

Mr. Chairman, I appreciate this opportunity to appear before you this afternoon on behalf of a vitally important U.N. agency which is perennially overlooked and underfunded -- The United Nations Relief and Works Agency. UNRWA, as it is called, provides the most fundamental humanitarian assistance in educational, health and relief services to approximately 2 million refugees in Jordan, Lebanon, Syria, the West Bank and Gaza.

While most every program in the UN system is currently strapped for funding, UNRWA has been particularly hard-hit by the Palestinian uprising, or Intifada, in the West Bank and Gaza. Consequently, operating costs for additional personnel, equipment, and medical facilities have risen dramatically, and it has become increasingly difficult for UNRWA to pursue its mission. I strongly believe this is not only a detriment to the refugee population, but to the interests of the United States and our friends in the region as well.

UNRWA's emphasis in the past has been education, and as testimony to its success, the agency operates over 630 schools for 350,000 students region-wide. Working with the conviction that self-reliance encourages moderation and gives Palestinian refugees a larger stake in a peace settlement, UNRWA has pioneered a host of innovative vocational programs.

During the past two years, however, thousands of refugee children have been unable to benefit from these programs in the territories because their schools have either been disrupted during the Intifada or closed by the authorities. While a permanent solution to these problems obviously depends on a political settlement, UNRWA must absorb the costs in the short term for remedial classroom time and further by the necessity to keep teachers on salary during the closures.

UNRWA's efforts in health care have been similarly affected in recent months. In the West Bank and Gaza, part-time clinics must remain open for extended periods of time, requiring added medical personnel and supplies. A physiotherapy program was developed to rehabilitate injured refugees, ambulance service has been expanded throughout the territories, specialized medical equipment has been purchased to deal with the increase in trauma patients - and the list goes on.

Having visited UNRWA camps in the West Bank four times since the onset of the Intifada in 1987, I can personally attest to the agency's exemplary professionalism and effectiveness. Under the able leadership of Bob Hopkins in the West Bank, UNRWA strictly adhered to its humanitarian mission despite an extremely politicized and violent environment and continues to do so to this day.

Though the agency experienced a sharp increase in operating costs as a result of the Intifada, the U.S. contribution has plummeted from a peak of $75 million in FY 1985 to $50 million in FY 1990. For the current fiscal year, the Administration's $61.3 million request was fully funded, but more than 18% of that contribution was pared away to fund earmarked refugee programs.

As you may be aware, $19.69 million from the Refugee and Migration Assistance account was earmarked for ethnic Turks from Bulgaria, Iraqi Kurds, anti-piracy in Southeast Asia, and a number of other worthy programs. Of the funds needed to satisfy these earmarks, however, fully 60% came from an already sharply reduced U.S. contribution to UNRWA. Without accounting for inflation, then, this reduction represents more than a 25% decrease in the U.S. contribution since 1987, when the Intifada was only beginning.

In the report for last year's Foreign Aid Authorization, the Foreign Affairs Committee recognized the inadequacy of the Administration's FY 1990 request of $61.3 million. Subsequently, the Committee urged an increase in the U.S. contribution to the FY 1987 level of $67 million. Reduced $17 million from this level, funding for the current fiscal year is grossly inadequate.

I realize that this is a year of great fiscal austerity and that problems are compounded by the increased drain on the refugee account from other excellent programs. However, I urge my colleagues on the Subcommittee to recognize UNRWA's real value to the United States and our friends in the Middle East. UNRWA absorbs a burden which would otherwise be carried by Israel and Jordan, both of which are heavily dependent on U.S. foreign assistance.

The U.S contribution to UNRWA is perhaps the only positive contribution our country is making to a beleaguered, increasingly radical refugee community in the Middle East. UNRWA not only performs an invaluable humanitarian mission, it promotes self-reliance and moderation in an environment largely devoid of hope. This gives Palestinians refugees a larger stake in a peace settlement. Its efforts in education, vocational training, relief services and medical assistance serve to maintain a sense of purpose and dignity in the refugee community in the interim, until such time as a peace settlement eliminates their plight altogether.

I strongly urge my colleagues on the Subcommittee to go beyond the Administration's FY 1991 request of 63.3 million and return it to the level of four years ago -- $67 million. Further, I urge the subcommittee to indicate in the report that this agency should never again suffer the disproportionate cuts it has experienced this past year.

Mr. OBEY. Thank you very much. You do a very good job on these and many others. I am glad to see at least some people focusing on the needs of the weakest and most vulnerable.

The first rule in politics, as in medicine, ought to be "first do no harm." Frankly, there is a significant amount of this bill which I think often does harm. It is nice to see people talking about some of the items that do not.

I appreciate it.

Mr. OWENS. Thank you.

WEDNESDAY, APRIL 4, 1990.

DEVELOPMENT ASSISTANCE

WITNESS

HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM THE STATE OF NEW MEXICO

Mr. OBEY. Next we will hear from Congressman Bill Richardson.

Mr. RICHARDSON. Thank you, Mr. Chairman.

Mr. Chairman, I will be brief. I know you have got a lot on the platter.

Mr. Chairman, I am here to ask for reconsideration of a provision the subcommittee passed just for one year, fiscal year 1990. It relates to a provision offered by my good friend, Bill Gray. It deals with the 10 percent requirement of AID contracts to the development assistance prime contracts and subcontracts that go to socially and economically disadvantaged businesses; minority-controlled private, voluntary organizations; historically black colleges and universities, and Hispanic-serving universities with Hispanic student bodies in excess of 40 percent.

Mr. Chairman, I am here to formally ask the committee to change the percentage of 40 percent to Hispanic-serving institutions to 20 percent to conform with the Higher Education Act Amendments title III, which gives the percentage 20 percent.

Now, this was an item in the authorization that Mr. Gray and I discussed several years ago, but, unfortunately, I am a little bit concerned about the change in last year's bill. So I am here, Mr. Chairman, just to ask for it to go down to 20 percent, simply because by having 40 percent you eliminate most Hispanic institutions from this program.

I don't think it is a case of wanting to say that blacks should get a certain percentage, Hispanics should get a certain percentage. I think what we need to do is just follow the guidelines that are used in other acts, title III, other legislation in the authorization bill—which I believe is 25 percent. Although this is a one-year provision, I think, Mr. Chairman, what it does is make a lot of schools in California and New Mexico—those with emerging Hispanic populations that are not quite at 40 percent—ineligible to participate in this program.

There are very few Hispanic institutions per se in this country. There are some in Puerto Rico. There is one or two in New Mexico. But outside of those limited number that have over 40 percent, there are very few that can participate.

So I am respectfully requesting that the subcommittee consider returning back to the 20 percent. I will be discussing this with Mr. Gray and others in the black caucus. But I wanted to raise this with you before this program extends further. I think it is a good program. I think it has been administered well. We had a briefing from the State Department on it. But I think if it proceeds longer than this fiscal year at 40 percent it is going to set a pattern where Hispanic institutions are excluded.

Historically, black colleges have a mission. Their mission primarily has been with African countries. If there isn't a comparable Hispanic role with Latin American and Western Hemispheric nations, I think our hemisphere will suffer. I simply think, Mr. Chairman, that we want to include the largest minority in this country—and the year 2006 will be the Hispanic—in this very important program. Under this one-year stop-gap, we are not included.

That's why I am here, Mr. Chairman.

[The prepared statement of Mr. Richardson follows:]

STATEMENT BY THE HONORABLE BILL RICHARDSON BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS

April 4, 1990

Mr. Chairman:

I would first like to express my thanks and appreciation for the opportunity to appear before the Subcommittee today. Given the dramatic changes which are sweeping the world and U.S. efforts to promote freedom, democracy, and development, this Subcommittee's work has never been more important. However, I come before you today to address what is essentially a domestic matter, that of U.S. Agency for International Development (AID) contracting with Hispanic-serving higher education institutions.

Under the Gray Amendment, first passed in 1984, AID is required to contract 10 percent of its development assistance prime contracts and subcontracts with socially and economically disadvantaged businesses, minority controlled private voluntary organizations, Historically Black Colleges and Universities, and Hispanic-serving universities with Hispanic student bodies in excess of 40 percent. It is this final category, Hispanic-serving institutions which is of concern to me.

To qualify for the AID set-aside funding program a Hispanic-serving university must have a Hispanic student body in excess of 40 percent. This number is, at best, arbitrary and creates an unnecessary restriction on Hispanic-serving institutions which hope to work with AID but fall short of the 40 percent requirement. The requirement's arbitrary justification is clearly evident if one considers Title III of the Higher Education Amendments of 1986.

Title III of the Higher Education Amendments of 1986 establishes institutional assistance programs for Historically Black Colleges and Universities and minority-serving institutions. In contrast to the AID set-aside program, to qualify for Higher Education Title III programs, a Hispanic-serving institution need only have a Hispanic student body of 20 percent. This is a statutory recognition that institutions with Hispanic student bodies of 20 percent or greater are indeed "Hispanic-serving."

The rationale behind the 20 percent threshold is that a higher threshold would exclude a great many Hispanic students who should benefit from the program. Hispanics are not generally concentrated at universities at 40 percent-plus levels and the AID 40 percent requirement is inconsistent with the goal of contracting with Hispanic-serving institutions.

The goal of the Gray Amendment and the AID set-aside program is to increase contracting with Hispanic-serving institutions. This goal is not properly served by the 40 percent requirement and these institutions are missing out on vital opportunities. Therefore, I respectfully request that the Subcommittee act to bring AID's set-aside program criteria in line with the goal of greater participation with Hispanic-serving institutions. I strongly believe reducing the requirement from 40 percent to 20 percent would accomplish this necessary improvement.

Mr. **Obey**. Well, let's see if we can't get you and Mr. Gray together and get it resolved.

Mr. **Richardson**. Okay.

Mr. **Obey**. Thanks again. We appreciate it.

Wednesday, April 4, 1990.

EPISCOPAL COMMITTEE ON SOUTH AFRICA

WITNESS

ROBERT S. SMITH, FORMER AMBASSADOR TO IVORY COAST

Mr. **Obey**. Next we will hear from the Honorable Robert S. Smith, Former Ambassador to the Ivory Coast on behalf of the Episcopal Committee on South Africa.

Mr. **Smith**. Thank you, Mr. Chairman.

I am the Chair of the Episcopal Committee on Southern Africa of this Washington Diocese. I speak to you today in support of continued assistance to the people of South Africa and new aid to the government and people of the newly-independent nation of Namibia.

I am, as you noted, former Ambassador to Ivory Coast, and also former Deputy Assistant Secretary of State for African Affairs and former Deputy Assistant Administrator of AID's Africa program. More recently, I returned from a trip to South Africa and Namibia which was organized there by the office of Archbishop Desmond Tutu.

Our committee exists to maintain a Christian stance on critical issues, in full solidarity with our sisters and brothers in the region, and to struggle with them to replace apartheid in South Africa by a just, non-racial, democratic society; to find faithful and effective ways to contribute to post-apartheid society; and to cooperate with others who already work toward the same goals.

We have organized meetings here for prominent South African speakers, such as Archbishop Tutu at the Washington Cathedral. We are conducting information and education programs in this area, and we are raising money on our own for aid to South African refugees and frontline clergy. Here is an example of our fund raising efforts—a benefit we are going to have at the Kennedy Center in about three weeks. I hope you can go.

Mr. Chairman, we support the AID programs already underway in South Africa and recommend their expansion until such time as South Africa becomes free and its rich economy can support these programs with little or no outside assistance. That is a short-term issue, we hope.

We also support the plans for a new program in Namibia, that former South African colony which has just earned its independence.

AID has programmed $32 million this fiscal year in South Africa. It goes to scholarships for university students here and in South Africa; to legal aid to political detainees; to training and organizing for trade unions; and to community development training. AID is requesting an increase of $6 million in that for fiscal year 1991 by including assistance to black private enterprise and moderate increase in the other categories.

I had the opportunity on this recent trip to observe one of the community development training programs—a very exciting concept over there—and to meet with South African students assisted by AID.

All of these programs contribute to an eventual non-racial, democratic society, and we support them.

A tiny program is getting started in Namibia, and there is separate legislation under consideration for a $10 million supplemental for that country this fiscal year. This would go to such things as natural resource management, training, small private enterprise, and community self-help.

Levels of education and skills training are currently very low in Namibia. What AID proposes can be extremely helpful in what is fundamentally an economy rich in resources but low in skills and education training.

Namibia's transition to independence appears to us to be a model for South Africa, so we support the Namibian experiment for its own sake and for the model it offers.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith follows:]

April 1, 1990

STATEMENT TO SUBCOMMITTEE ON FOREIGN OPERATIONS -
EXPORT FINANCE AND RELATED PROGRAMS
APRIL 4, 1990
THE HONORABLE ROBERT S. SMITH
CHAIR, EPISCOPAL COMMITTEE ON SOUTHERN AFRICA
OF THE PEACE COMMISSION, WASHINGTON DIOCESE

"AID TO SOUTH AFRICA AND NAMIBIA"

Mr. Chairman,

I am the Chair of the Episcopal Committee on Southern Africa of the Peace Commission of the Diocese of Washington. I speak to you today in support of continued assistance to the people of South Africa and new aid to the Government and people of the newly independent nation of Namibia.

I am former U.S. Ambassador to Ivory Coast, and former Deputy Assistant Secretary of State for African Affairs and Deputy Assistant Administrator of AID's Africa program. I returned recently from a trip to South Africa and Namibia which was organized there by the office of Archbishop Desmond Tutu.

The Episcopal Committee on Southern Africa exists to maintain a Christian stance on critical issues, in full solidarity with our sisters and brothers in the region, and to struggle with them to replace apartheid in South Africa by a just, non-racial, democratic society; to find faithful and effective ways to contribute to post-apartheid society; and to cooperate with others who already work toward the same goals. We have organized meetings for prominent South African speakers - such as Archbishop Tutu; we are conducting information and education programs in this area; and we are raising money on our own for aid to South African refugees and frontline clergy.

Mr. Chairman, we support the A.I.D. programs already underway in South Africa and recommend their expansion, until such time as South Africa becomes free and its rich economy can support these programs with little or no outside assistance. We also support the plans for a new program in Namibia, that former South African "colony" which has just earned its independence.

A.I.D. has programmed $32 million this fiscal year in South Africa. It goes to scholarships for university students here and in South Africa; to legal aid to political detainees; to training and organizing for trade unions; and to community development training. A.I.D. is requesting an increase to $38 million for FY 1991, by including assistance to black private enterprise and moderate increases in the other categories.

I had the opportunity to observe one of the community development training programs, a very exciting concept, and to meet with South African students assisted by A.I.D.

All of these programs contribute to an eventual non-racial, democratic society, and we support them.

A tiny program is getting started in Namibia and there is separate legislation under consideration for a $10 million supplemental for that country this fiscal year. This would go to such things as natural resource management, training, small private enterprise and community self-help.

Levels of education and skills training are currently very low in Namibia. What A.I.D. proposes can be extremely helpful in what is fundamentally an economy rich in resources.

Namibia's transition to independence appears to be a model for South Africa, once the latter government recognizes that it cannot hold power indefinitely. We therefore support the Namibian "experiment" - for its own sake and for the model it offers.

Thank you, Mr. Chairman.

Mr. OBEY. Thank you very much. We appreciate your statement. It was a good statement.

Mr. SMITH. Thank you.

WEDNESDAY, APRIL 4, 1990.

AMERICAN LEBANESE LEAGUE

WITNESSES

MICHAEL HAJJ, EXECUTIVE DIRECTOR

DAVID ALAMEEL, CHAIRMAN, POLICY COMMITTEE

Mr. OBEY. Next we will hear from Michael Hajj of the American Lebanese League.

Mr. HAJJ. Mr. Chairman, with your permission we would like to have Doctor David Alameel, our Chairman of Policy to address your committee.

Mr. OBEY. Fine.

Mr. ALAMEEL. Thank you, Mr. Chairman, for giving me this opportunity. My name is David Alameel, and I am Chairman of the Policy Committee of the American Lebanese League, a nationwide, nonprofit organization founded by American citizens in 1976 to promote U.S.-Lebanon relations and to foster the sovereignty, security, democracy, independence, and unity of Lebanon consonant with the U.S. national interest. We are an educational, humanitarian, and social organization with a broad national membership base representing the philosophy and ideals of 2.5 million Americans of Lebanese descent.

Before discussing our specific proposal, there is one subject that has not received much attention that I feel compelled to address. As my opening remarks indicated, the principal purpose of the American Lebanese League is to promote positive and mutually beneficial ties between the United States and Lebanon. The history of the U.S.-Lebanese relations has, in fact, been remarkably positive, and the common values evoked by our leaders and echoed in our common struggles over the years have underlain this relationship.

We Americans of Lebanese descent are therefore profoundly disturbed by the rampant level of anti-American sentiment in Lebanon today. Many of us, in the context of thank yous for assistance provided our families and loved ones, have received scathing denunciation of U.S. policies and actions. To be sure, these attacks are based upon misunderstanding of U.S. policy in a time of unrealistic hopes concerning what the United States might accomplish in Lebanon.

Nevertheless, we are very concerned about the level and intensity of this feeling and urge both the Executive and Legislative branches of the U.S. Government to actively and sympathetically consider assistance program to demonstrate more systematically and concretely American goodwill and the traditional American humanitarian concerns.

We believe that, in view of the enormous infrastructural damage inflicted by the Lebanese-Syrian War of 1989 and the tragic conflicts within the Christian and Shiite communities, and given the hopeful signs of reconciliation, the movement towards restoration of national government, and the regional agreement on the importance of bringing the fighting in Lebanon to an end, it would be appropriate and timely for the U.S. Government to begin looking ahead to conducting or supporting a survey of immediate Lebanese national reconstruction needs.

It is now not only a question of the kind of reconstruction discussed in and after 1982; the Beirut area, in particular, has had its most basic infrastructure—water, power, and communications—destroyed or seriously damaged. Without the restoration of these basic services, the government, itself, will have a very difficult time in functioning.

Moreover, these additional constraints on the government will make all the more difficult the kind of active and broad, all-community-based initiatives that will foster stabilization and reconciliation. This planning assistance relates directly to existing U.S. policy and is one means by which the U.S. Government can put actions behind its verbal support.

Early attention should be given to placing Lebanon on next year's list of economic assistance recipients and to earmarking aid sufficient to meet, at the very least, the immediate human and infrastructural needs.

We have many needs in Lebanon, specifically medical services area almost non-existent. Most of our hospitals have been destroyed. We have no medicine supplies. Water services are almost cut off. We have all the basic requirements for an epidemic of cholera and so forth. We have problems distributing food to ordinary citizens. And we really think that, at the least, an off-shore medical facility in the form of a U.S. ship or the like can really provide immediate relief for many who are injured or sick or unable to receive medical treatment.

We also recommend, Mr. Chairman, that serious consideration be given to extending some of the alternative crop incentive programs applied in South America to Lebanon in conjunction with the extension of government authority to parts of the country currently under Syrian occupation in which farmers have been encouraged to grow, and have become accustomed to cultivating, narcotics.

Mr. Chairman, we Americans of Lebanese descent, like the majority of the Lebanese, recognize that the bulk of the responsibility for liberating, unifying, and rebuilding Lebanon must fall on the shoulders of its citizens. However, we also believe that the United States can be more active in this regard, and that it is in the interest of the United States to work toward this end.

We believe the program we have outlined above is a responsible series of steps that will contribute to and encourage continued progress in reconciliation; that will respond to important immediate medical, power, water, and communication needs resulting from the current crisis; and that will establish a framework for effective cooperation and assistance in the future.

More important, these programs will demonstrate to the Lebanese that the United States remains a friendly country and one that shares their grief and feels their tragedy.

I have read only part of my testimony, Mr. Chairman. I have provided a more lengthy one.

I would like to add here that although we are very concerned right now about Central and South America, we are concerned about financial aid to Eastern Europe to rebuild their societies, political systems, and consequently free market systems, and, as we heard before, we are concerned about Middle Eastern countries who are the football of politics around the world, we really should look at Lebanon as something else. Lebanon has been a friend of the United States for many, many years. It has been a democratic people with very close friendship ties with the U.S.

And its needs now go beyond rebuilding free markets and democracy; its needs are very, very urgent. We have almost three-quarters of a million Christians that have been living under war conditions for over a year. We have practically no transportation. We have children who haven't gone to school for almost two years. We have children who haven't played for two years. We have pain and suffering.

When it comes to humanitarian aid, I cannot even describe a more humanitarian type of pain and suffering. I urge you, when you consider aid to other countries, to know that in Lebanon the need is more acute and the need is on a larger scale and magnitude than the U.S. has helped, for instance, in the last 12 months.

I would like to add that anyone who has children and knows his love for his children should also think, like we do, that the pain of children of your enemies is just as painful as our own children. I really want to leave you with that comment in hoping that when you appropriate funds you drastically increase the amount that has been allocated in the past for Lebanon.

Thank you, Mr. Chairman.

[The prepared statement of Alameel follows:]

American Lebanese League
P.O. BOX 33909 Washington, D.C. 20033

STATEMENT OF DR. DAVID ALAMEEL
BEFORE SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS, HOUSE APPROPRIATIONS COMMITTEE
April 4, 1990

Mr. Chairman:

My name is David Alameel, and I am chairman of the policy committee of the American Lebanese League, a nationwide, non-profit organization founded by American citizens in 1976 to promote U.S.-Lebanon relations and to foster the sovereignty, security, democracy, independence, and unity of Lebanon consonant with the U.S. national interest. We are not a lobbying organization, but an education, humanitarian, and social organization with a broad national membership base representing the philosophy and ideals of 2.5 million Americans of Lebanese descent.

The president of the American Lebanese League, Frank Coury, and I have recently had the benefit of several meetings with senior officials of the National Security Council and the Department of State. We found once again that our government continues to bear the greatest of good will toward Lebanon and is sincere in its concern over the tragedies besetting that country. The officials showed they were both knowledgeable and eager to help, personally and in their official capacities. My statement reflects and is in part a reaction to these discussions.

In the period since we last addressed this committee we have seen both progress and additional tragedy in Lebanon. The United States joined responsibly with other countries to encourage national reconciliation in Lebanon. That process, far from complete, has however made some progress. Certainly, the traditional Lebanese leadership and the newer leaders in the country are talking more today and thinking more about the future of Lebanon than at any time in at least five years. Some of these discussions reflect much greater realism, as all communities and leaders must recognize that every Lebanese group must be and feel a part of the country and must share fully in its destiny without favoritism or discrimination. We see a much greater realism on this point, a much fuller understanding that each community must recognize and accept the legitimacy of the others' concerns and that each community and the country as a whole will in fact benefit when all feel secure. This must certainly be considered hopeful. Part of the program we are recommending is designed to encourage further positive movement toward reconciliation and reunification.

Unfortunately, the past few months have also born tragic witness to bloody conflicts within the Christian and Shiite communities of Lebanon. It is a very sad episode in Lebanon: after all these years of conflict, that Lebanese should take up arms against other Lebanese is hard even for us whose roots are in Lebanon to understand. We have appealed to our Christian and Shiite brothers in Lebanon to put down their arms and to cease this senseless, internecine violence. These conflicts not only threaten the threads of hope that remain among the Lebanese and impede the reconciliation process begun by the Arab League, they have also destroyed a significant portion of the infrastructure of

Lebanon. We must accord a high priority to overcoming the most immediate and human elements of this tragedy.

Another area in which little progress has been made in the last year is occupation. ALL strongly supports U.S. policy that all foreign forces should withdraw from Lebanon. However, 14 years after the Syrian invasion of Lebanon, Syrian troops continue to occupy two thirds of the country, while Israeli, Palestinian, and Iranian forces occupy another 15 percent. The absence of a government that can be held responsible for Lebanese territory facilitates the international scourges of terrorism and drug trafficking. We believe the United States should continue to urge the withdrawal of all foreign forces from Lebanon.

Over the last year the brunt of the responsibility for achieving progress on withdrawal of foreign forces was borne by the Arab League. In spite of progress made by the Arab League mediators, one of the problems they encountered was the relationship between the Syrian and Israeli occupations of Lebanon. The Arab world can claim some "jurisdiction" with respect to Syria and the Palestinians, but not for Israel. ALL would like to recommend that the U.S. government look into the possibility of assigning to a senior U.S. official, or group of officials, the job of working with the Arab League and Lebanon. The official would provide the good offices of the United States in helping to establish timetables for withdrawal, in supervising implementation of timetables, and of course in discussing the operational details of withdrawal with Syria, the Palestinians, and Israel.

ALL favors and urges the U.S. government to support the neutralization of Lebanon. Neither Lebanon nor the Middle East benefits from the attempts of countries from all over the Middle East to either enlist Lebanon in their conflicts with each other or to fight their battles on Lebanese soil. The result has been an intensification of other conflicts and the creation of new and complex hurdles in the Arab-Israeli peace process.

Before discussing our specific proposals, there is one subject that has not received much attention that I feel compelled to address. As my opening remarks indicated, the principal purpose of the American Lebanese League is to promote positive and mutually beneficial ties between the United States and Lebanon. The history of U.S.-Lebanese relations has in fact been remarkably positive, and the common values evoked by our leaders and echoed in our common struggles over the years have underlain this relationship. We Americans of Lebanese descent are therefore profoundly disturbed by the rampant level of anti-American sentiment in Lebanon today. Many of us, in the context of thank-yous for assistance provided our families and loved ones, have received scathing denunciations of U.S. policies and actions. To be sure, these attacks are based upon misunderstanding of U.S. policy and, at times, upon unrealistic hopes concerning what the United States might accomplish in Lebanon. Nevertheless, we are very concerned about the level and intensity of this feeling, and urge both the executive and legislative branches of the U.S. government to actively and sympathetically consider assistance programmed to demonstrate more systematically and concretely

American goodwill and the traditional American humanitarian concern.

SPECIFIC PROPOSALS

We believe that in view of the enormous infrastructural damage inflicted by the Lebanese-Syrian war of 1989 and the tragic conflicts within the Christian and Shiite communities, and given the hopeful signs of reconciliation, the movement toward the restoration of national government, and the regional agreement on the importance of bringing the fighting in Lebanon to an end, it would be appropriate and timely for the U.S. government to begin looking ahead to conducting, or supporting, a survey of immediate Lebanese national reconstruction needs. It is now not only a question of the kind of reconstruction discussed in and after 1982; the Beirut area in particular has had its most basic infrastructure--water, power, and communications--destroyed or seriously damaged. Without the restoration of these basic services, the government itself will have a very difficult time in functioning. Moreover, these additional constraints on the government will make all the more difficult the kind of active and broad, all-community-based initiatives that will foster stabilization and reconciliation. This planning assistance relates directly to existing U.S. policy and is one means by which the U.S. government can put actions behind its verbal support. Early attention should be given to placing Lebanon on next year's list of economic assistance recipients and to earmarking aid sufficient to meet at the very least the immediate human and infrastructural needs.

Certainly, ALL also supports the dispatch on a priority basis of disaster/emergency relief aid. The needs are presently enormous for the reasons already cited. Even basic emergency support such as firefighting equipment, water filtration equipment, and technical support to restore electricity and water would have a very broad impact, since only a few centers supply such a large proportion of the population.

Another item that might be of great value is ambulances with special equipment. Such specialized gear is almost impossible to locate in Lebanon now, and with the recent fighting much of its has been rendered inoperable.

The destruction of hospitals and clinics, and with it of the already very limited specialized equipment in the country, has put advanced medical care out of reach to many Lebanese. ALL asks that the government and private voluntary organizations consider coordinating their efforts to provide such assistance. Specifically, given the logistical problems of providing medical assistance in-country, we recommend (1) the stationing of a medical ship offshore; or (2) the establishment, with Cypriot government approval, of a temporary military medical facility on the island of Cyprus to serve Lebanese civilians with injuries that are not otherwise treatable in Lebanon; or (3) both.

Mr. Chairman, last year we recommended that, regardless of rank, all Syrian officials involved in international terrorist activities such as the bombing of PanAm flight 103 be indicted in absentia. We recommend the same action toward those Syrian officials involved in the trafficking of narcotics in Lebanon and

Syria. We feel that the example of General Noriega and a number of terrorists caught and brought to trial in various Western countries may have at least a deterrent effect.

We also recommend, Mr. Chairman, that serious consideration be given to extending some of the alternative-crop incentive programs applied in South America to Lebanon in conjunction with the extension of government authority to parts of the country, currently under Syrian occupation, in which farmers have been encouraged to grow, and have become accustomed to cultivating, narcotics.

Mr. Chairman, we Americans of Lebanese descent, like the majority of the Lebanese, recognize that the bulk of the responsibility for liberating, unifying, and rebuilding Lebanon must fall on the shoulders of its citizens. However, we also believe that the United States can be more active in this regard, and that it is in the interest of the United States to work toward this end. We believe the program we have outlined above is a responsible series of steps that will contribute to and encourage continued progress in reconciliation; that will respond to important immediate medical, power, water, and communication needs resulting from the current crisis; and that will establish a framework for effective cooperation and assistance in the future. More important, these programs will demonstrate to the Lebanese that the United States remains a friendly country and one that shares their grief and feels their tragedy.

Mr. **Obey**. Thank you.

I have some votes going on downstairs. I am going to have to go down. I will not be back for 10 or 15 minutes.

[Recess.]

Wednesday, April 4, 1990.

HELEN KELLER INTERNATIONAL

WITNESS

DAVID FRENCH, MEDICAL DIRECTOR

EBRAHIM SAMBA

Mr. **Obey**. Back on the record.

Where were we?

Next we will hear from John Palmer, Executive Director of Helen Keller International.

Dr. **French**. Thank you, Mr. Chairman.

I am not John Palmer. John Palmer is not here today.

Mr. **Obey**. All right.

Dr. **French**. I am——

Mr. **Obey**. We won't tell anybody if you won't. [Laughter.]

Dr. **French**. I am Doctor David French, the Medical Director of Helen Keller International. We very unexpectedly have the great pleasure of having with us today Doctor Ebrahim Samba, who is here from West Africa. He is heading our onchocerciasis project in West Africa.

Mr. **Obey**. We are glad to have you.

Dr. **French**. So he is available for any questions or anything you might want to ask him.

I am going to go through this testimony.

Mr. **Obey**. Okay. Since I am supposed to be at a meeting right now, I am going to withhold the questions, but I do appreciate your presence, Doctor.

Dr. **Samba**. Thank you.

Dr. **French**. Prior to joining HKI I was Project Director of the AID-sponsored Health Delivery Systems Project in Central and West Africa, involving some 20 countries.

Helen Keller International receives about $3 million a year from AID through grants and cooperative agreements to carry out blindness prevention, treatment, and rehabilitation programs throughout the third world.

HKI is a nonprofit organization based in New York. It has offices and programs in 32 countries in Latin America, the Caribbean, Asia, and Africa. It has been in existence since 1915. This is our 75th anniversary, making us one of the oldest PVOs.

Let me start by saying that we have received excellent support in general from both the Bureau for Food and Peace and Voluntary Assistance at AID and the Bureau for Science and Technology. We appreciate their dedication to the vitamin A deficiency program and to other blindness prevention and treatment programs of AID, and their commitment to HKI. HKI is devoting much attention to expanding its vitamin A deficiency program to deal with new populations and new areas such as in Africa, which has been largely neglected in this regard up to the present time.

The program also can be expanded to a broader nutrition initiative, which is what would occur in Asia, where we have been working for the last 15 years.

Vitamin A deficiency has been known to be responsible for about 5 million new cases of eye disease a year in children in a year's time in Third World Countries—500,000 are estimated to become blind each year.

In response to these facts, the Congress and AID initiated the Vitamin A deficiency program. HKI began this vitamin A program in Asia some 15 years ago. The vitamin A deficiency problem exists in severe form in Africa—highly unrecognized up until the present. The countries with severe problems are those on the West African Sahel, but the problem must likewise be severe in drought- and famine-stricken Eastern and Southern Africa. We just don't know how much the problem is.

The vitamin A program needs significantly expanded funding to assess need and develop programs throughout Africa.

Studies in Asia and Africa between 1982 and 1986 have shown a marked decrease in mortality and morbidity among children, in general, when vitamin A programs have been initiated. Mortality decreases demonstrated by these studies have been 35 to 50 percent when vitamin A is given. These studies have involved high dosages of vitamin A in children.

Studies have also indicated that improved growth patterns occur and there are decreased rates of anemia, infections, and diarrhea.

To date, in focusing only on nutritional blindness, we have reached only one-third of the children in need. In other words, the other two-thirds have lain dormant unbeknownst to us in terms of the potential benefit until these recent studies have been completed.

There is little doubt that vitamin A deficiency is a significant factor in not only blindness, but also childhood mortality, infections, and anemia in Asia and Africa. The total cost of getting a capsule to a child is only $1 per capsule, and a capsule must be delivered only twice a year.

We recommend an increase of $4 million for the AID vitamin A program, bringing it to a total of $12 million for 1991.

HKI believes that the appropriate focus should be upon the use U.S. PVOs to develop programs and train and assist indigenous PVOs to implement the programs over time.

HKI currently operates such a program, known as the VITAP program, which is funded by AID. This is an umbrella program to bring other PVOs into action.

Now I'd like to speak to the onchocerciasis program, which my good friend Doctor Samba heads.

The onchocerciasis—OCP—program's intent is to prevent blindness transmitted in river areas of West Africa by a black fly. The program is administered by WHO with funds mobilized by the World Bank from 23 countries and international organizations, including the United States, which is by far the largest contributor.

The program so far has concentrated on spraying to eliminate the black fly, and while spraying can markedly reduce the flies transmitting the disease, the spraying must be continued for at least 14 years on a regular basis. However, many people in West Africa have contracted river blindness already. It is this population for which the new drug ivermectin is used.

Again, the ivermectin is given twice a year, similar to vitamin A. Even though the people may harbor the organism, they will not go blind as long as they continue to take the ivermectin.

We urge the continuation of U.S. participation in OCP; however, we believe the program should include ivermectin distribution using a public health approach and utilizing U.S. and local PVOs for the distribution of the drug. The drug, when distributed properly, is very effective in preventing blindness, but its use must be monitored carefully— particularly in children, where it is inappropriate to use the drug under the age of five.

The OCP—we need an expression of special interest from the Congress that increasing the funding for ivermectin distribution is desirable.

Helen Keller, our founder, once said, "I would rather walk with a friend in the dark than walk alone in the light." HKI is fortunate, indeed, to have friends like this subcommittee as we help to light the future of thousands of vision-impaired persons across the globe.

Thank you again, Mr. Chairman. I would be pleased to respond—and Doctor Samba, as well—to any questions that you or your colleagues may have.

[The prepared statement of Dr. French follows:]

TESTIMONY

OF

DAVID FRENCH, M.D., M.P.H.

FOR

HELEN KELLER INTERNATIONAL

BEFORE

THE

FOREIGN OPERATIONS SUBCOMMITTEE

OF

THE HOUSE APPROPRIATIONS COMMITTEE

APRIL 4, 1990

TESTIMONY OF DAVID FRENCH, M.D., M.P.H.

April 4, 1990

Mr. Chairman:

A. General Statement and Summary

I am David French, M.D., M.P.H., the Medical Director of Helen Keller International on behalf of which I am testifying. Prior to joining HKI in 1988 I was Project Director of the AID sponsored Health Delivery Systems Project in Central and West Africa. Helen Keller International receives about $3 million from the AID through grants and cooperative agreements to carry out blindness prevention, treatment and rehabilitation programs throughout the third world. My testimony today is in support of those AID health and nutrition programs which assist us in our efforts. My emphasis will be on a request that you substantially expand the Vitamin A Deficiency Program from its current $8 million funding level to $12 million for FY 1991. That amount will enable needed expansion in areas already targeted for assistance and the development of programs in countries sorely in need of Vitamin A programs. My testimony also focuses upon the important Onchocerciasis Control Program (OCP) referred to as the River Blindness program, and the need to assure its continued support including a specific focus upon the delivery of the drug Ivermectin.

Let me start by saying that we have received excellent support in general from both the Bureau for Food for Peace and Voluntary Assistance and the Bureau for Science and Technology within AID. We appreciate their dedication to the Vitamin A deficiency program and to other blindness prevention and treatment programs of AID and their commitment to HKI. We are in the difficult situation currently of seeking payment from AID for certain actual program costs of an indirect nature for activities in the past two years and the very tight budgets of those bureaus is making a reasonable accommodation difficult if not impossible. But the two bureaus are doing their very best to support us. -

We urge the Subcommittee to continue and even expand its strong support for AID programs in the developing nations of Asia, Africa and Latin America. Our HKI programs in those regions of the world are welcomed by the countries involved and have been very effective in preventing and treating blindness. We are also deeply involved in nutrition programs which we believe have been effective in meeting health care needs.

B. Summary of HKI Program and Support

1. Helen Keller International (HKI)

HKI is a nonprofit organization based in New York. It has offices and programs in 32 countries including Brazil, Haiti, Peru, Burkina Faso, Ethiopia, Malawi, Morocco, Niger, Sudan, Tanzania, Zambia, Bangladesh, China, India, Indonesia, Nepal, Philippines, Sri Lanka, and Thailand. It has been in existence since 1915. The Honorable Chairman of its board is Gerald Ford. The mission of HKI is to provide services throughout the world to prevent or treat blindness and to rehabilitate those with incurable blindness.

2. Budget

The HKI budget is about $8.7 million about 75 percent of which goes directly to the provision of services. About $3 million of HKI revenue comes from the federal government, specifically the AID budget. The remainder of the funds are derived from private contributions.

3. AID Programs and Regions of the World Affected

a. Prevention

HKI focuses on preventive services and treatment. The preventive programs focus on nutrition and primary public health services. The nutrition program includes a Vitamin A deficiency program which is operative throughout the Far East including Bangladesh, Indonesia, and the Philippines. The Vitamin A program is under development in Africa. The prevention program also includes participation in the River Blindness program which operates in Africa and has recently focused on methods to distribute Ivermectin.

The prevention program also includes the development of primary eye care in the Philippines, Sri Lanka, Morocco, and Malawi.

b. Treatment (Surgical Care) and Rehabilitation

This program involves the provision of eye surgery to deal with blindness caused by cataracts. This program includes training of indigenous personnel to provide surgical services. It is operative in the Philippines, Indonesia, Canton, Malawi, Peru, Brazil and Tanzania.

4. Specific AID Accounts Involved

HKI receives funds from the following AID programs: the Nutrition program, the Child Survival Program, and the Health Development Assistance

Program. It also receives funds directly from our U.S. embassies for use in Thailand and Indonesia.

5. Future Initiatives

HKI is devoting much attention to expanding its Vitamin A deficiency program to deal with new populations and new areas such as Africa. The Program also can be expanded to be a broader nutrition initiative. HKI is also interested in expanding its involvement in the River Blindness program, particularly to develop effective methods to distribute Ivermectin, a drug demonstrated to effectively prevent River Blindness.

C. Need to Expand Vitamin A Program

Vitamin A deficiency has been known to be responsible for about 5 million new cases of eye disease a year in children in the poor countries of the world. Five hundred thousand cases were estimated to cause blindness among children. In response to these facts, the Congress and AID initiated the Vitamin A deficiency program. The focus of the AID supported Vitamin A deficiency program has been mainly in Asia where great strides have been taken to reduce the incidence of blindness among children. HKI began its Vitamin A program in Asia some 15 years ago. The Vitamin A deficiency problem exists in severe form in Africa as well. The countries with the worst problems are those in the West African Sahel but the problem is likewise severe in drought and famine stricken Eastern and Southern Africa. The Vitamin A program needs to have significantly expanded funding to begin assessments of need and the development of programs in Africa.

Secondly, studies in Asia and Africa between 1982 and 1986 have shown a marked decrease in mortality and morbidity among children when Vitamin A programs have been initiated. Morbidity decreases demonstrated by these studies have been 35 to 50 percent when a Vitamin A program is utilized. These studies have involved high dosages of Vitamin A in children who had severe deficiencies of Vitamin A. Studies have also indicated that improved growth patterns occur when Vitamin A is utilized and as do decreased rates of anemia and infections.

There is little doubt that Vitamin A deficiency is a significant factor in not only blindness but also childhood mortality, and infections and anemia. An expanded Vitamin A program is also justified therefore because of its positive impact on child mortality and disease in Asia and Africa. The cost of getting a capsule to a child is only $1.00 per capsule and a capsule must be delivered twice a year.

We recommend an increase of $4 million for the AID Vitamin A program bringing it to a total of $12 million for 1991. The program should continue to focus on the use of private voluntary organizations (PVO) including HKI to implement the program. HKI believes that the appropriate focus should be upon the use of U.S. PVOs to develop programs and train and assist indigenous PVOs to implement the programs over time. HKI currently operates such a program referred to as VITAP, the Vitamin A technical assistance program.

Onchocerciasis Control Program (OCP)

The OCP is intended to prevent blindness caused in river areas of Africa by a black fly. The program is administered by the WHO and is supported by funds from many countries. It operates currently in West African countries. While spraying can markedly reduce the flies, which cause the disease, the spraying must be continued on a regular basis. However, many people in West Africa have contracted River Blindness already. It is this population for which the drug Ivermectin is used. It has been established as effective in preventing blindness among those who show symptoms of River Blindness.

We urge the continuation of U.S. participation in the OCP. However, we believe the program should include Ivermectin distribution using a public health approach and utilizing U.S. and local PVOs for the distribution of the drug. The drug, when distributed properly, is very effective in preventing blindness but its use must be monitored carefully, particularly in children. It is not appropriate to use the drug with children under five.

The program needs some specific Congressional direction so as to assure the appropriate focus on Ivermectin distribution.

Thank you Mr. Chairman -- I am available for questions.

Mr. **Obey**. I simply want to thank you both for your good work.

Doctor, is there anything you wanted to say?

Dr. **Samba**. Well, I just want to thank you for giving me the privilege. I just arrived yesterday. David has been a good friend of mine since the 1970s. I said I would love to go and thank the United States. You started this program in the 1970s. You are the biggest donor. Merck, Sharp & Dohme, which produce Ivermectin, is giving it free of charge to all the people that need it all over the world. They are a company in the United States.

So for me this is an opportunity to come and say thank you very much. More than that, we have 23 donors—Africans. Wherever I go, they say, "What is the United States doing?" So you are the leader. That is a heavy responsibility. For me, it is an opportunity to bring this to your notice and once again to appreciate all that you are doing.

The collaboration that we started with Helen Keller and all the PVOs from the United States is highly appreciated by the Africans.

Thank you, sir.

Mr. **Obey**. I want to thank you both for your good work. Congressman Dwyer was the first person who brought the new drug to our attention. Keep it up.

Dr. **Samba**. Thank you, sir.

Dr. **French**. Thank you very much.

Mr. **Obey**. Thank you.

Wednesday, April 4, 1990.

RAINBOW LOBBY

WITNESS

ABUKARI, DIRECTOR, AFRICA DESK

Mr. **Obey**. Next we will hear from Mr. Abukari, Director, Africa Desk of the Rainbow Lobby.

Good afternoon.

Mr. **Abukari**. Good afternoon.

Thank you, Mr. Chairman. My name is Abukari. I am the Director of the Africa Desk for the Rainbow Lobby, an independent citizens lobby with 160,000 members and supporters which lobbies in support of democracy and human rights nationally and internationally.

In general, we ant first to give our full support to the Mickey Leland African and Caribbean Development Act, which is proposed by the CBC this year. But today we would like to center our attention on three countries in Africa where we believe U.S. policy has been misguided—Zaire, Morocco, and Angola.

We are concerned that our foreign aid policy's improper focus on outdated strategic interests often sacrifices the human and democratic rights of people who are in desperate need of our assistance.

In this time of lessening tensions between the United States and the Soviet Union, continued U.S. aid in support of dictators, colonialism, and contra-like wars impedes the benefits peace would bring to the people of these nations.

Mr. Chairman, we strongly urge that this committee uphold its concern for corruption and human rights in Zaire and eliminate all military aid. Zaire is a country where $400 million in foreign exchange from copper revenues can disappear without a trace; where the president treats the bank account of a major parastatal like Gecamines as his personal checking account; and where Mobutu and his close confidantes use C–130 aircraft, which our military aid is used to maintain, for their own personal profit.

While President Mobutu and his close friends enrich themselves, Zaire remains the fifth poorest nation in the world.

Despite repeated promises to end human rights abuses, this year Mobutu adopted a new policy of arresting pro-democracy activists before demonstrations could even begin.

For example, the night before demonstrations planned for January 17, 40 leaders of the pro-democracy movement were arrested, and the next day people were arrested as they assembled to demonstrate.

On February 23, 40 women, many with children, were arrested while demonstrating for the release of those jailed in connection with the January 17 demonstration.

On March 15th, two representatives of the Lawyers' Committee for Human Rights were attacked while on a fact-finding trip to Zaire. When they reported this attack to the security forces, they were told that there must have been some mistake, that no attack had taken place, and that no further investigation would occur.

At the same times as these violations are taking place, Mobutu has begun a "national dialogue" on the topic of political change. But, given the history of Mobutu's rule, the events detailed above, and the fact that the much-touted Department of Citizens Rights and Liberties has not resolved one human rights case, one could conclude that Mobutu is attempting to improve his image abroad without instituting any genuine change at home.

In the case of Morocco we believe that the committee's continued willingness to provide high levels of military aid only encourages King Hassan to perpetuate his war against the Sahrawi people of the illegally-annexed Western Sahara. Given the Mobutu support for the United Nations peace process, it seems counter-productive and hypocritical to continue sending military aid to Morocco. Instead, we should encourage Kind Hassan to negotiate a referendum to allow the people of the Western Sahara a democratic means to determine their own future.

The last country we would like to address, Mr. Chairman, is Angola.

Angola has endured more than a decade of civil war that has left an estimated 200,000 people dead. With the signing of the tripartite agreement, continued U.S. military assistance to Unita is one of the few remaining obstacles to peace. We urge this committee to do all within its jurisdiction to end aid to Unita and to remove Angola from the list of countries prohibited from receiving U.S. assistance.

We believe the approximately $80 million now being spent on covert military assistance could be better spent on relieving the impending famine and rebuilding the country's infrastructure.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Abukari follows:]

Rainbow Lobby, INC.
1660 L STREET, NW • SUITE 204 • WASHINGTON, DC 20036 • PHONE: 202-457-0700 / FAX: 202-457-0123

Prepared Statement by

The Rainbow Lobby

before the

Subcommittee on Foreign Operations,
Export Financing
and Related Programs

of the

House Appropriations Committee

April 4, 1990

Thank you Mr. Chairman, and members of the Foreign Operations and Export Financing Subcommittee for holding these hearings to allow for outside witnesses to testify about our concerns in regard to foreign aid. My name is Abukari. I am the director of the Africa Desk for The Rainbow Lobby, an independent citizens lobby with 160,000 members and supporters. As a community organization which lobbies in support of democracy and human rights nationally and internationally, we are concerned with several facets of U.S. foreign aid policy. We wish to give our full support to the Mickey Leland African and Caribbean Development Act of 1991 as proposed by the Congressional Black Caucus, which would give $1 billion to Africa. This bill would provide much needed additional aid to the emerging democracy in Namibia and to the Southern African Development Coordinating Committee. While we would agree that there is far less money allocated than is needed for our African aid programs, we would like to examine some of the contradictions between the priorities stated in our foreign aid package, and the actual impact of that aid.

We are concerned with the Bush Administration's improper focus on outdated "strategic" interests at the expense of people in desperate need of our assistance and at the expense of human rights and democracy. We urge this Committee and the Foreign Affairs Committee to reexamine your aid priorities and to create a policy towards Africa that places democracy and human rights at the top of the list. In that context we would like to take a brief and critical look at three countries in Africa where we believe U.S. policy has been misguided -- Zaire, Morocco and Angola. In this time of lessening tensions between the United States and the Soviet Union, continued U.S. aid in support of dictators, colonialism and contra-like wars impedes the benefits peace would bring to the people of the regions and to the United States.

In the report that accompanied H.R. 2939 the Committee stated that it "does not believe that our strategic interests in Zaire should overrule our concerns with respect to corruption and human rights abuses." It is time to adhere to this sentiment. For twenty-five years we have tolerated endemic corruption and human rights abuses under the Mobutu regime in exchange for its role as a bulwark against communism. For fiscal year 1990 Zaire was given $3 million in military assistance under the Foreign Military Financing Program. While we applaud the Committee for capping military aid, we urge you to totally eliminate military assistance to the Mobutu regime in fiscal 1991.

With rampant unemployment, and wages much too low for survival, the bulk of economic activity in Zaire takes place in the secondary or underground economy. Bribery, smuggling and illegal trade are the norm at all levels of commerce. Zaire is a country where, as this Committee reported, $400 million in foreign exchange from copper revenues can disappear without a trace, and where the President treats the bank account of a major parastatal like Gecamines as his personal checking account, draining much needed resources from the country. There is evidence that Mobutu and his close confidants use the C-130 aircraft, which our military aid is used to maintain, for their own personal profit. For example, it has been reported that the planes have been used to fly cattle from South Africa to Gbadolite, President Mobutu's palace. There are also reports that three of Mobutu's closest advisors, Seti Yale, Head of Security, Bemba Saolcna, of Scibe-Zaire (a business conglomerate in Zaire) and Kengo wa Dondo, the Prime Minister, illegally smuggle gold and diamonds from Gbadolite to South Africa for private profit. According to an October, 1989 report from the Subcommittee on Africa, "Because of endemic corruption, sending equipment to the Zaire military is simply throwing money down a rathole. Corruption is so extensive that the military is weak and ineffective, except for repressing unarmed civilians. For example, airplane fuel is sold on the black market and U.S.-donated jeeps and trucks have been used to carry on private businesses and extort money from civilians." While President Mobutu and his close circle of friends enrich themselves, the per capita income in Zaire is estimated to be $150 per year and Zaire remains the fifth poorest nation in the world.

Despite repeated promises to improve human rights conditions in Zaire, the much-touted Department of Citizens Rights and Liberties (DCRL) has been unable to resolve a single human rights complaint since its inception in 1986. The first few months of this year have brought continued repression from Mobutu's security forces. Perhaps fearing the success of pro-democracy movements in Eastern Europe and the fate of his friend Nicolai Ceaucescu, Mobutu has begun to arrest pro-democracy activists before demonstrations have a chance to get started. For example, the night before demonstrations planned for January 17, 1990 (the anniversary of the murder of Patrice Lumumba), security forces arrested 40 leaders in the pro-democracy movement, and the next day people were arrested at bus stops, on the streets and even in churches as they assembled to demonstrate. The State Department reports that about 50 persons were arrested, while we received a list from the Union for Democracy and Social Progress (UDPS) of 83 people known to have been arrested. [see exhibit A]

On February 23, 1990 at least 40 women were arrested for demonstrating in front of the DCRL for the release of those jailed in connection with the January 17 demonstrations. These women, some of them with infant children, were stripped naked and taken to an Agence National de Documentation (AND) prison. While there, they were given no food, some were abused, and at least one was tortured while in custody.

On March 15th, two representatives of the Lawyers Committee for Human Rights, Makau wa Matua and Peter Rosenblum, were attacked while on a fact-finding trip to Zaire. The attackers made off with one of their brief cases, which contained sensitive notes and a computer, but took no money or other valuables. When they reported this attack to the AND they were told that there must have been some mistake, that no attack had taken place, and that no further investigation would occur.

In January of this year four Members of Congress, including one member of this Committee, visited Zaire. During their stay they were denied the opportunity to meet with Etienne Tshisekedi wa Mulumba, the major opposition leader in Zaire. Since meeting with Members of Congress in December of 1987, including two of those on the January, 1990 trip, Tshisekedi has not known one day of freedom, and remains today under strict house arrest.

At the same time as these violations are taking place, Mobutu has begun a national dialogue on the topic of political change. According to the State Department, "the winds of change that have hit Eastern Europe and other places are now hitting Zaire, and President Mobutu himself is leading the charge." But given the history of Mobutu's rule, and the events detailed above, there is no reason to believe that the concerns raised in this so-called dialogue will be seriously addressed. It is more plausible that Mobutu is attempting to improve his image abroad without instituting any genuine change at home.

Mr. Chairman, we hope that this Committee will uphold your concern for corruption and human rights in Zaire and eliminate all military aid to Zaire.

The case of Morocco provides another illustration of "strategic" concerns outweighing stated commitments to the democratic process. The Committee's continued willingness to provide high levels of military aid only encourages King Hassan II to perpetuate his war against the Sahrawi people of the illegally-annexed Western Sahara. In the report attached to the Foreign Aid Appropriations Bill, the Committee noted with appreciation the efforts of the U.N. Secretary-General to work toward a lasting peace in the Western Sahara, and also noted its support for an internationally-supervised referendum. Meanwhile, the Foreign Aid Appropriations Bill for fiscal year 1990 sends $43 million in weaponry to Morocco which will undoubtedly fuel the very conflict the Committee professes to support ending. Given the United States' commitment to democracy and human rights in general and its support for the U.N./O.A.U. peace process in particular, it seems counterproductive and hypocritical to continue sending military aid to Morocco. Instead, our efforts should be directed toward encouraging King Hassan II to negotiate the terms of a referendum to allow the people of the Western Sahara a democratic means to determine their own future, be it as an independent nation or as a part of Morocco.

The United Nations has made settling the Western Saharan conflict a priority for the upcoming year. Recently, Secretary General Perez de Cuellar's special envoy Johannes Manz visited the region for a round of talks with the parties to the conflict. Given King Hassan's unwillingness to continue the direct dialogue with the Polisario Front begun in January of 1989, we believe a halt in U.S. military aid would be the impetus needed to push the Moroccans to negotiate in good faith an end to this conflict.

The last country we would like to address is Angola. Angola has endured more than a decade of civil war that has left an estimated 200,000 people dead, more than 20,000 children orphaned, and some 50,000 maimed. The devastation of the war combined with a severe drought in the southern part of the country have left the Angolan people in desperate need of aid. According to the 1989 State Department Human Rights Country Report, "the expenditure of hard currency for weapons and the impact of war on the productivity and distribution networks of Angolan agriculture appear to have created a chronic food shortage in both the cities and countryside." With the signing of the Tripartite Agreement, which provided for the independence of Namibia, the withdrawal of South African troops from Namibia and the simultaneous withdrawal of Cuban troops from Angola, continued U.S. military assistance to Unita is one of the few remaining obstacles to peace. We urge this committee to do all within its jurisdiction to end aid to Unita and to remove Angola from the list of countries prohibited from receiving U.S. assistance. We believe the approximately $80 million now being spent on covert military assistance would be better spent on relieving the impending famine and rebuilding the country's infrastructure.

Implementation of these proposals, combined with the passage of the Mickey Leland African and Caribbean Development Act, would be important steps toward fostering democracy in Africa.

EXHIBIT A

Persons Arrested in Connection with the January 17, 1990 Pro-Democracy Demonstration in Kinshasa

Bakamubia Albert
Bamusamba Paul
Bantu Mbempe
Belanganayi Ntambwe Christophe
Bulabula Alexis
Ilunga Mulamba en Faveur Jean
Ilunga Mubalamate Mouster Joseph
Kabamusu Mulume Simon
Kabeya wa Mbuyamba
Kabasele Ndemba
Kabengele Kamalengela
Kadima Paul
Kalamata
Kalambayi Musaka
Kalolo Nkima Benjamin
Kamba Nkolombo
Kande Kankole Hilaire
Kapangu Nkole
Kasiro
Kasonga Ntabala
Kasongo Sebastien
Kayembe Munkamba
Kayumba Kasongo
Kongolo
Kulengaye Kadima Muntuntu Leon
Kwande Kakolo
Lukusa Buala Buala
Lukusa Lusemba Gregoire
Lusamba Mubimalu
Mabiala Mangulu
Mafuta Muamba
Makoko Aley
Makoko Bonoventure
Makyi Muteke
Mala Joseph
Malamba Mudinyika Francois
Maloba Mushimbe
Mangala
Mazinga Celestine
Mbaya Ntambwe Sebastien
Mbaya Tshibagu
Mbayabo Benga Nkona
Mbuyamba Kasanji
Mbuyi Kabemba Baba
Micky Nkool
Motombo Pastor
Mpoyi Muepu
Mubiaya Nkashama
Muhia Gaby
Mugengo

Mujamba Paul
Mukebayi Ilunga
Mukendi Kashola Anaclete
Mukendi Mpaya Shambuyi
Mukendi Mpayi Placide
Mukondila Mpaya Francois
Mukongola
Mukonke Mukendi
Mukulu Kitenge
Mulumba Albert
Mulumba Ngandu Andre
Mulumba Ntekele
Muzembayi Ilunga
Ngandu Ambroise
Nkwedi Bernard
Nkongolo Denis
Nkongolo Kabuedi
Nkongolo Kabwe Kantanda
Ntumba Elie-Robert
Ntumba Emmanuel
Ntumba Muabala
Ntumba Makombo
Ntumbobo Clement
Nyemba Kabemba
Omene Samba Gunthier
Onianga
Onokoko Djuma Paul
Otshimba
Otshudi
Tambwe Belanganayi
Tshankadi wa Muena Tshiela
Tshibambe Mangala
Tshibamba Lumanji Pontien
Tshibasa Andre
Tshibuabua Yamba Bakamba
Tshilumba Kamana
Tuakula Kalala

Note: Italicized names are the eleven persons whom the State Department confirms were arrested.

Mr. OBEY. Thank you for a good statement.

WEDNESDAY, APRIL 4, 1990.

DIOCESE OF SAINT MARON—USA, COMMISSION FOR LEBANON

WITNESS

CHOR-BISHOP SEELY BEGGIANI

Mr. OBEY. Next we will hear from Chor-Bishop Seely Beggiani, Diocese of Saint Maron-USA Commission for Lebanon.

Sorry we couldn't get the last three of you in before the last vote.

Mr. BEGGIANI. Actually, it has all worked in reverse for me too, Mr. Chairman. I was supposed to be earlier, and then I had a change because I was afraid I wouldn't be here on time at 1:00.

I do thank you for giving me this time. I appreciate very much all the work you are doing, Mr. Chairman. I have been in Washington for 22 years, and I have followed the record you are achieving in the House. I respect very much your integrity and the achievements that you have made.

Mr. OBEY. Thank you.

Mr. BEGGIANI. I have submitted a text that I hope will be part of the record, and I will try as best as I can to summarize my remarks and keep them as brief as possible.

I have been here before. As you know, I represent the Diocese of Saint Maron, which covers the whole United States. Our members are mainly Lebanese Americans and immigrants from Lebanon, all of whom are very concerned for Lebanon.

I thank you again for the funds of fiscal year 1990. Again we have the ironic situation where the Administration was rather niggardly in its request, but Congress saw fit to do a better job. I think we are facing the same problem this year where, to my information, the Administration is proposing $1 million compared to the $7.4 million it allocated in 1990.

As you well know from hearing the other speakers, the situation in Lebanon—the humanitarian situation and the economic situation—is so devastating that Lebanon does need a great deal of support.

I realize the constraints that the United States is under in its foreign aid but, again, I beg your good intentions to do what you can again to take some leadership in allocating humanitarian funds for Lebanon—ESF funds, and so forth. Certainly double or triple what we received last year would be a first step to help these people.

Anything the United States does is tangible evidence of the United States' ongoing commitment to the people of Lebanon, for whom I am much more concerned than the other events that are going on there.

If you will allow me, I would like just to make a few remarks about the situation in Lebanon at the present time.

The last several months have been times of both hope and despair. There were serious efforts done by the Arab League, supported by the U.N., the United States, and other countries, to achieve some first steps towards the solution in Lebanon, and these are first steps. This certainly is a sign of hope.

On the other hand, the agreements that were made last year were seriously flawed in the sense that there was no real time table to bring about the withdrawal of non-Lebanese forces from Lebanon. Here I include all non-Lebanese forces.

The United States Government—the State Department-- is on record as supporting the idea that all non-Lebanese forces should be withdrawn, and we believe that their presence in Lebanon does affect U.S. vital interests. In my testimony I list four points here.

First of all, to have forces of occupation in a small country like Lebanon for 15 years is a bad precedent for the Middle East and other parts of the world. It is something I think we—especially now we are reading in the newspapers about Eastern Europe and some of the countries such as Lithuania. The idea of having foreign forces in a country is abhorrent, I think, to most Americans.

Second, in Lebanon you have two regional powers within a few miles of each other ready for any act of violence that can happen. They have written out their own red lines, so to speak, but these red lines can easily be overwhelmed and Lebanon can be a tinderbox for more conflict in the Middle East.

Third, the U.S. State Department a few weeks ago pointed out that one occupying army is in conspiracy for drug production and distribution from the Bekaa Valley in Lebanon, making Lebanon one of the largest drug producers in the world. Yet, ironically, the State Department did not single out the Lebanese Government, pointing out that it is not in control of this area. This area is under occupied control.

Fourth, we still have bases in Lebanon that are training terrorists that carry out worldwide terrorism.

I know this committee cannot achieve these foreign policy goals, but I believe that the awareness that the foreign forces in Lebanon are a problem not just for the Lebanese, but for U.S. interests, is something that we have to stress.

In that regard, I hope that the U.S. will send its ambassador back to Lebanon as soon as possible. I know the risks involved—and every diplomat in Lebanon is under serious risk—but I believe the U.S. has to have a hands-on situation there. And I believe, although the U.S. is supporting Lebanon in many ways—mainly behind the scenes — they should take a more active, public role in the events of Lebanon while allowing the Arab countries and others who are more proximately responsible to work towards a solution.

Finally, I come back to my point: Lebanon is a puzzle for everyone. Even the friends of Lebanon are tired of trying to figure out how to solve the problem there. But I turn your attention to the people of Lebanon. They have lived for 15 years there. Almost every family has lost a member. One of my seminarians just found out that his mother, who was 71 years old, was killed by shrapnel. Here he thought he would get ordained to be a priest and celebrate his first mass with her, and two months before his ordination his mother died not from old age or her heart condition, but from shrapnel.

There are many people—thousands have lost their homes, and others have no livelihood.

I think anything the United States can do, any aid we can give, any gesture we make, as small as it might be, just to show these people that we still care will keep their hope alive and allow them to work towards the future of Lebanon, which we still believe can be a reality.

Thank you very much.

[The prepared statement of Chor-Bishop Beggiani follows:]

Testimony by
Chor-Bishop Seely Beggiani, Chairman
Commission for Lebanon
Diocese of St. Maron -- U.S.A.

before the
Subcommittee on Foreign Operations
of the
House Committee on Appropriations
April 4, 1990

Mr. Chairman, Members of the Committee, I represent the Diocese of St. Maron -- U.S.A., which consists of Maronite Catholics found throughout the United States. Since most of our members are Americans of Lebanese descent or recent Lebanese immigrants, we have a deep concern for the country of Lebanon. As American citizens we believe that it is in the interest of the United States to continue to support the people of Lebanon who have persevered through 15 years of death and destruction.

Lebanon today still faces a crisis challenging its very survival. Events during the past months have aroused both hope and despair. Serious attempts were made by the Arab League with the support of the United Nations, the United States and other nations to bring about the first steps of a solution to the Lebanese situation. We hope that a political formula can be arrived at that will guarantee the rights of all the peoples of Lebanon -- a solution that will preserve Lebanon as a democratic and pluralistic country. While some progress was achieved toward this goal, formidable problems remain. We believe that the most serious setback is the failure of negotiators to agree upon a specific timetable for the withdrawal of all non-Lebanese troops from Lebanon. We are also greatly distressed by the sectarian fighting that has taken place in both the Christian and Moslem areas of Lebanon. We wish to note that the vast majority of the Lebanese people are not parties to this violence, but are its victims, and desire only to live in peace.

Nevertheless, it remains our conviction that the presence of non-Lebanese forces in Lebanon is the most significant factor causing instability in Lebanon and the greatest obstacle to the resolution of Lebanon's most serious problems. We believe that the world community and especially the United States must be more actively involved in procuring the withdrawal of all foreign fighters from Lebanon.

Besides starting Lebanon on its road to recovery, the removal of non-Lebanese armies from Lebanon is directly related to vital interests of the United States. First of all, the presence and continued toleration of forces of occupation spanning several years, especially in a small nation such as Lebanon, speaks against our democratic principles of self-determination and the free exercise of human rights, and establishes a bad precedent for the Middle East and other parts of the world. Secondly, the proximity of the armies of two hostile regional powers on Lebanese soil is a war waiting to happen, threatening any hope of stability in the Middle East. Thirdly, our State Department a few weeks ago specifically accused one of the non-Lebanese armies in Lebanon of being directly involved in drug production and distribution from Lebanon's Bekaa Valley, making Lebanon's occupied region one of the major drug producers and distributors in the world. (The State Department did not hold Lebanon's government responsible, because it recognized that its territory is under occupation.) Fourthly, occupied areas of Lebanon are still being used as bases for training and exporting world-wide terrorism.

While the United States continues to be involved in the Lebanese crisis, mainly behind the scenes, the seriousness of what is at stake in Lebanon requires a more aggressive and public policy. We believe that it is imperative that the United States send its ambassador back to Lebanon. While all residents of Lebanon, native and foreign, are exposed daily to risks upon their lives, other countries have maintained their diplomatic representation in Lebanon, and it behooves the United States to do the same. The United States must be in control of its interests, and the freedom-loving people of Lebanon who continue to persevere are anxious for tangible evidence that the United States has not abandoned them. We also support the idea proposed by some that our President appoint a special envoy for Lebanon, as a sign of United States commitment and that a Lebanese solution is a high priority.

To facilitate the withdrawal of non-Lebanese forces from Lebanon, it is essential that the Lebanese national army be trained and adequately armed. In past years, the United States has offered generous military assistance. We believe that this should continue, and that it is money and effort well-spent. The stronger the Lebanese army becomes, the more it will be able to eradicate the production and distribution of drugs, the dismantling of terrorist basis, and the policing of its borders, especially with Israel.

I wish to thank the Committee for voting funds for Lebanon in Fiscal Year 1990 and plead for renewal of financial help. The approximately $7.5 million economic aid allocated to Lebanon in FY 1990 through Economic Support Funds and Direct Aid primarily to Universities and PVO's, including Catholic Relief Services, is concrete evidence of the United States' ongoing commitment to the survival of Lebanon, its people, and its democratic institutions.

Obviously, the humanitarian and economic needs of Lebanon are overwhelming and we would appreciate a far greater financial commitment from the United States government. Meanwhile, as mentioned in previous testimony, the Maronite Patriarchate in Lebanon has instituted the Maronite Social Fund, which is directed toward addressing the needs in food, health, education and housing. Caritas-Lebanon, a private organization representing all the Christian communities, has been providing extensive charitable help to both Christians and Moslems in need. Our Diocese of St. Maron in the United States, through yearly drives, has already raised thousands of dollars from its members to help the needy in Lebanon.

I realize that when the name Lebanon is mentioned, many believe that it is a place where the problems only become more complex and intractable, and where all solutions seem to fail. Even friends of Lebanon are tempted to give up in frustration. Certainly, there are times when Lebanese leaders seem to be their own worst enemies. However, I direct your attention to the vast majority of the Lebanese people who are the innocent victims of this long tragedy. Almost every family in Lebanon has lost one of its members. Thousands have lost their homes and their livelihood. Yet, they persevere and still dream of a free and democratic country.

While the United States has a multitude of interests in the world and many priorities in foreign affairs, the requests we are making on behalf of the Lebanese people are relatively small. Yet, with a generous American response, hope can be rekindled and the price in death and loss paid by the Lebanese people will not have been in vain.

Mr. Obey. Thank you very much for a moving statement.

Well, you are the wrap-up witness of the year.

We will leave the record open for two weeks for any additional statements that might come in.

[The following statements were submitted for inclusion in the record.]

TESTIMONY OF THE HON. ALBERT G. BUSTAMANTE BEFORE
THE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN
OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS
APRIL 4, 1990

MR. CHAIRMAN,

I WISH TO EXPRESS MY APPRECIATION TO THE SUBCOMMITTEE FOR ALLOWING ME TO SUBMIT WRITTEN TESTIMONY ON THE SUBJECT OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT'S (AID) SET-ASIDE PROGRAM FOR PREDOMINANTLY HISPANIC POSTSECONDARY INSTITUTIONS.

I HAVE A LONG-STANDING RECORD OF INVOLVEMENT OF WORKING ON CONGRESSIONAL INITIATIVES TO INCREASE EDUCATIONAL OPPORTUNITIES FOR HISPANIC-AMERICANS. I AM PLEASED THAT A MAJORITY OF MY COLLEAGUES WHO SERVE ON THE CONGRESSIONAL HISPANIC CAUCUS AND 29 OTHER MEMBERS HAVE COSPONSORED THIS LEGISLATION. MY INVOLVEMENT ON THIS ISSUE STEMS LARGELY FROM MY COAUTHORISHIP WITH SENATOR LLOYD BENTSEN OF THE "HISPANIC-SERVING INSTITUTIONS OF HIGHER EDUCATION ACT OF 1989" (H.R. 1561 AND S.1669). THIS LEGISLATION HAS FOCUSED NATIONAL ATTENTION ON THE IMPORTANCE TO OUR COUNTRY OF CREATING MORE POSTSECONDARY OPPORTUNITIES FOR HISPANIC-AMERICANS.

DURING THE PAST TWO YEARS, THE BUSTAMANTE-BENTSEN BILL HAS RECEIVED THE OVERWHELMING SUPPORT OF A NUMBER OF MAINLINE HISPANIC ORGANIZATIONS SUCH AS THE MEXICAN-AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, THE NATIONAL COUNCIL OF LA RAZA, THE HISPANIC ASSOCIATION OF COLLEGES AND UNIVERSITIES, TO NAME BUT A FEW. I WOULD LIKE TO ALSO THANK CONGRESSMAN AUGUSTUS HAWKINS, THE CHAIRMAN OF THE HOUSE EDUCATION AND LABOR COMMITTEE, FOR INCLUDING MY ELIGIBILITY CRITERIA FOR A HISPANIC-SERVING INSTITUTION OF HIGHER EDUCATION IN TWO OF HIS MOST RECENT COMMITTEE BILLS -- H.R. 4130, THE "TWENTY-FIRST CENTURY TEACHERS ACT," AND H.R. 4379, AN OMNIBUS EDUCATION BILL.

ACCORDING TO THE ELIGIBILITY CRITERIA CONTAINED IN THESE BILLS AND MY OWN, A HISPANIC-SERVING INSTITITUION OF HIGHER EDUCATION IS A NON-PROFIT TWO-YEAR OR FOUR-YEAR INSTITUTION OF HIGHER EDUCATION WITH, AT LEAST, 25 PERCENT HISPANIC ENROLLMENT. THE FACT THAT THE CHAIRMAN OF THE HOUSE EDUCATION AND LABOR COMMITTEE HAS ACCEPTED THIS DEFINITION OF A HISPANIC-SERVING INSTITUTION OF HIGHER EDUCATION AS THE BEST WAY OF TARGETING FUNDING TO THE LARGEST NUMBER AND GREATEST PERCENTAGE OF HISPANIC COLLEGES IS AN INDICATION THAT THE RICHARDSON AID THRESHOLD OF 20 PERCENT IS MORE IN LINE WITH ACCEPTED LEGISLATIVE LANGUAGE.

TO SUPPORT THIS CONCLUSION, I WOULD LIKE TO CALL YOUR ATTENTION TO A CONGRESSIONAL RESEARCH SERVICE STUDY WHICH I REQUESTED ON SEPTEMBER 23, 1988. THIS STATISTICAL SURVEY WAS PERFORMED BY A CRS SPECIALIST WHO CONDUCTED A SURVEY OF INSTITUTIONS WITH, AT LEAST, 15 PERCENT HISPANIC ENROLLMENT. THE SPECIALIST THEN SURVEYED THOSE INSTITUTIONS OF HIGHER EDUCATION THAT ACCOUNT FOR 50 PERCENT OF TOTAL NATIONAL HISPANIC ENROLLMENT. WHEN THE SPECIALIST PERFORMED THIS LAST SURVEY HE FOUND THAT THERE EXIST APPROXIMATELY 83 INSTITUTIONS OF HIGHER EDUCATION THAT ACCOUNT FOR 50 PERCENT OF HISPANIC POSTSECONDARY ENROLLMENTS NATIONWIDE.

THE MAJORITY OF THESE 83 INSTITUTIONS HAD HISPANIC STUDENT ENROLLMENTS OF AT LEAST 20 PERCENT TO 25 PERCENT. THIS STATISTICAL SURVEY INDICATES THAT IF WE WANT TO GET AID ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION THAT SERVE THE MAJORITY OF HISPANIC STUDENTS, THEN WE SHOULD ACCEPT THE RICHARDSON THRESHOLD OF 20 PERCENT HISPANIC ENROLLMENT, BECAUSE IT WOULD PROVIDE MUCH NEEDED RESOURCES TO THOSE INSTITUTIONS NOW RATHER THAN LATER.

MR. CHAIRMAN, I HOPE THESE BRIEF REMARKS HAVE BEEN OF ASSISTANCE TO YOU IN DETERMINING HOW BEST TO IMPLEMENT THE AID SET-ASIDE PROGRAM. THANK YOU.

TESTIMONY SUBMITTED BY

PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.

BEFORE

THE SUBCOMMITTEE ON FOREIGN OPERATIONS

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

April 4, 1990

Foreign Operations Testimony

FY 1991 Appropriations for International Family Planning Population Assistance

I am Faye Wattleton, president of Planned Parenthood Federation of America (PPFA) -- the national organization of 172 local, community-based Planned Parenthoods providing reproductive health services and advocacy in 49 states and the District of Columbia.

I am appearing today on behalf of more than 30,000 volunteers and staff who operate 879 medical centers in this country, our hundreds of thousands of donors and supporters, and the more than four million men and women who are served each year by our clinics. Planned Parenthood's commitment to insuring access to voluntary family planning services dates back more than 70 years in this country. We believe that women and families everywhere -- in the developing world as much as in the United States -- need to be able to determine for themselves whether and when to have children.

PPFA established an international division in 1971, Family Planning International Assistance (FPIA), at the urging of the U.S. Agency for International Development (AID), to translate this principle into practice. Last year, FPIA assisted 133 family planning programs in 37 developing countries, providing contraceptive services to over 1 million people, and served millions of others through its commodities distribution program.

Mr. Chairman, a former colleague of yours once remarked that "economic development overseas would be a miserable failure unless the developing countries had the knowledge and supplies their families needed to control fertility." President Bush's words of 1973 are as applicable today, almost twenty years later. Of course, circumstances have changed since then. For one thing, most developing countries by now have recognized the benefits of family planning and slowed population growth rates for themselves. The movement was led by Asia, then by Latin America, and now most Sub-Saharan African countries have developed national population policies and are attempting to implement serious voluntary family planning programs. Developing countries themselves are now so committed to family planning that between their national governments and local citizens, they bear 80 percent of the expenditures on family planning aid to their countries worldwide. Only 20 percent comes from the international donor community.

The magnitude of the programmatic challenge, however, has also changed significantly since 1973. At that time, the world population was less than 4 billion, growing at 80 million people annually. Today, there are 5.3 billion people on the planet, with 90 million more added every year. The total expenditures for population program assistance per capita actually decreased over the last two decades, just as the need and demand for aid have grown more urgent.

I am proud of the fact that the U.S. government remains the single largest contributor to the international effort. And while the total amount appropriated is critical, the effectiveness of the U.S. program is determined not only by its size but also by its policies. The continued impact of the so-called "Mexico City" policy and the now five-year U.S. boycott of UNFPA have seriously undermined the reach of the program, the confidence of developing country women and their families in the quality of care they receive, the morale of family planning workers and the credibility of U.S. government humanitarian aid activities in the eyes of the world.

Appropriations for Population Assistance Must be Increased Substantially and Immediately to Respond to World Crises

The direct benefits of revitalizing the U.S. commitment to international population assistance are numerous and touch many different spheres of U.S. foreign policy and humanitarian interests.

Enhanced aid to slow population growth alleviates population pressure, which has been associated with political instability and threats to democratic forms of government. A 1986 report of then-Vice President Bush's Task Force on Combatting Terrorism noted that "Fully 60 percent of the Third World population is under 20 years of age; half are 15 years or less. These population pressures create a volatile mixture of youthful aspirations that when coupled with economic and political frustrations help form a large pool of potential terrorists." This theme was echoed in a report prepared for the Arms Control and Foreign Policy Caucus last summer by several of its members that articulates the U.S. security concerns raised by rampant population growth in the developing world.

Overpopulation is also a clear environmental concern. In those parts of the world largely reliant on subsistence farming, which is most of the Third World, the competition for diminishing fertile lands, water and firewood is already intense. The result is a ravaged landscape as well as increased atmospheric pollutants and greenhouse gases.

A final example illustrates the positive effects of increased population assistance on a more human scale. A December 1989 report issued by the National Academy of Sciences concludes that greater access to family planning services, the major component of the U.S. population assistance program, is essential to improving the health of women and children simply by enabling women to reduce the total number of births and high-risk pregnancies they have. It is an outrage that 500,000 Third World women die each year from pregnancy-related causes, especially considering that practically all of these deaths are easily preventable. And in cases where the mother dies, there is an extremely high likelihood that a surviving child will not live beyond his first birthday. According to the World Fertility Survey, almost half of all married women in developing countries want no more children, yet only one-quarter are using modern, effective contraceptive methods. Perhaps that partially explains the regrettable fact that abortion is still a major method of fertility control in the Third World, even in places where it is illegal and extremely dangerous.

As you know, Mr. Chairman, Congress increased funding for international population assistance last year for the first time in many years. Unfortunately, that $20 million increase to $220 million has not actually resulted in increased funds for population-related activities. Virtually all of the increase has been diverted by the Agency for International Development (AID) to other accounts. This includes losing to sequestration, the international narcotics tax, and the AID reserve fund. It is doubtful any of the money from the reserve fund will revert to the population program in light of the sudden, new demands for assistance from emerging democracies in Latin America and Eastern Europe.

More funds are critical-- and now. The longer we postpone our response, the more entrenched these moral and political crises will become-- and the more difficult it will be to catch up.

Policy Changes Are Essential to Restore The Integrity of U.S.-supported Family Planning Services in Developing Countries

Overall U.S. budgetary constraints regrettably are exacting a large share from development assistance, population included. The impact is severe -- as I discussed earlier, even life-threatening. If this were the only burden the program must bear it would be difficult enough. Compounding an already critical problem of inadequate resources, however, is that the program must operate under ideological constraints that undermine its effectiveness.

The Reagan Administration abandoned the longstanding U.S. leadership in international family planning programs. First, in January, 1985, it defunded the International Planned Parenthood Federation - the world's largest provider of primary health care services. On top of that, since FY 1985, the U.S. has not contributed to the United Nations Fund for Population Activities, the world's largest multi-lateral organization providing voluntary population and family planning assistance to developing countries. The Reagan administration tried, but failed, to abridge a well-established ethical standard of health care delivery -- the policy of informed consent regarding contraceptive choices. Thanks to your leadership, and the support of this subcommittee, organizations that promote natural family planning must continue to provide their clients complete and accurate information about, and referral for, all other available methods of family planning. We are pleased that the House-passed reauthorization bill contains language taken from the continuing appropriations resolution of the last three years requiring informed consent. Until it becomes enacted into permanent law, however, we urge you to retain that provision in the annual appropriations bill for foreign operations.

As you know, the Mexico City policy is still in effect, the Bush administration having inherited it and accepted it from the Reagan administration. This policy, first enunciated at the International Conference on Population in Mexico City in 1984, prohibits the transfer of any U.S. population assistance to any foreign nongovernmental organization that even with its own funds provides information or services related to abortion -- even if abortion is perfectly legal in that country as it is in the U.S. PPFA is among several U.S.-based groups challenging the legality of the policy and has negotiated an arrangement with AID under a court order to continue to receive USAID support without having to implement the Mexico City policy while the litigation is pending. Three other major U.S.-based population organizations also are engaged in litigation against the policy: The Population Council, The Pathfinder Fund and the Association for Voluntary Surgical Contraception.

Last year, Reps. Chester Atkins (D-Mass.) and Olympia Snowe (R-Maine) introduced H.R. 720, a bill that would amend the Foreign Assistance Act to overturn the Mexico City policy. It forbids the U.S. government from imposing restrictions on overseas family planning programs that could not be lawfully applied on family planning programs here in this country. Fifty national organizations endorsed this bill and as of last week it had acquired 113 additional cosponsors.

Last September, the House Foreign Affairs Subcommittee on International Operations conducted a day-long hearing on the impact of the Mexico City policy on the U.S. family planning program overseas. AID Assistant Administrator Richard Bissell could not identify a single professional population or family planning organization, or any family planning service provider, that believes the policy serves the interests of the program. Nor could he say that the policy has led to fewer abortions worldwide. From his testimony and from subsequent statements heard that day, it became clear that the sole motivation for the policy was -- and still is -- political, while its effect is of little concern to the administration. This is understandable considering accounts presented at the hearing about its true impact.

Testimony was heard from a family planning worker from Turkey, a country similar to some 65 other AID-recipient countries whose abortion laws or policies are less restrictive than the Mexico City policy. She recounted several examples where distraught women who became pregnant as a result of contraceptive failure sought help at the U.S.-funded family planning clinic. The workers had to refuse the women any information about the option to obtain a safe, legal abortion, so the women relied on their own ingenuity to end their pregnancies. One drank poison. Another inserted a chicken feather into her uterus. They were lucky to survive. Not surprisingly, however, these women and others in their villages will not soon return for any reason to the family planning program that turned its back on them. The former Director General of the Health Ministry of Turkey has observed that "abortion is accepted in Turkey as a woman's right. Yet in order to qualify for American money, we must ignore our own law."

Last month the House Foreign Affairs Committee voted to repeal the Mexico City Policy by prohibiting the denial of funds to organizations because of the types of voluntary reproductive health care that they provide with non-US funds. The committee also approved a special fund of one million dollars for family planning activities in Romania, to be divided equally between the United Nations Population Fund (UNFPA) and the International Planned Parenthood Federation (IPPF).

As you know, Mr. Chairman, under Ceausescu, both contraception and abortion were illegal in order to promote population growth in the country. The population did not grow significantly but maternal death and infant mortality rates were among the highest in Europe. According to the World Health Organization (WHO), in the mid-1980's, nine out of ten maternal deaths in Romania were related to illegal abortion.

Within 24 hours of the new government's installation, it liberalized access to abortion and contraception. The country is now in dire need of family planning assistance. The only channels for such assistance to Romania at this point in time are through the UNFPA and IPPF. These organizations are currently ineligible for U.S. family planning funds due to the ban on funding of UNFPA and the Mexico City Policy. U.S. policy is thus going against its purported goal. Instead of increasing access to family planning and preventing abortion, it is likely to result in more women continuing to resort to abortion because of a lack of contraceptives.

It is quite revealing that those who condemn coercion in China as an excuse for blocking support for family planning through UNFPA have said nothing about the equally brutal coercion in Romania. Women were subjected to weekly pregnancy checks in factories where they worked. Stiff fines were imposed if it was discovered that a woman had had an abortion, and doctors or technicians were sent to prison and prohibited from practicing for ten years.

We realize, Mr. Chairman, that this issue is properly an authorizing committee matter. We raise it with this Subcommittee since there has not been an authorizing bill enacted into law since 1985, and the prospects for action this year, notwithstanding the Foreign Affairs Committee action last week, appear dim. We raise it here because we believe that this ultimate in U.S. imperialism has gone on long enough, that enough damage has been done to the health of women. In spite of this policy whose alleged purpose is to discourage abortion, the incidence of abortion is rising worldwide. The effect of the policy has been to drive women to dangerous, illegal abortion and, sadly, away from family planning programs they cannot trust.

We raise this issue now with great urgency, Mr. Chairman, because we believe that Congress is finally hearing the American people's voices demanding the right to decide for themselves whether and when to bear children.

They are demanding also the means to implement that choice -- through safe and effective contraception, with complete and accurate information and through access to quality maternity services and safe and legal abortion.

Last year's congressional votes in support of restoring a U.S. contribution to UNFPA are clear signals that there is a heightened level of consciousness surrounding the international family planning program. UNFPA is the single largest multilateral organization in the world providing family planning and population assistance to 130 developing countries. There is no substitute for UNFPA in many of the neediest countries of the world. In Sub-Saharan Africa, UNFPA works in twice as many countries as the U.S. operates a bilateral program. If the U.S. is truly serious in its proclaimed support for international family planning assistance, it must rejoin the community of nations in the endeavor to foster voluntary family planning through UNFPA, having obtained detailed assurances that none of the U.S. funds can be used for abortion, coercive or otherwise.

UNFPA is continuing to provide assistance to China primarily to build factories to produce modern contraceptives to reduce the incidence of abortion there. Whether or not one agrees with the president's initiative to renew political ties with China in the aftermath of the crackdown of the pro-democracy student uprisings, the president's comment that "you cannot ignore the largest country in the world" does resonate in the politics of UNFPA. Certainly, it is arguable that it is even more difficult to ignore the largest country in the world when it is your mission to advance voluntary family planning.

Referring again to President Bush's words when he served as U.S. Ambassador to the United Nations: "...major world problems like population and environmental protection will have to be handled by large and complex organizations representing many nations and many different points of view...Success in the population field, under United Nations leadership, may, in turn, determine whether we can resolve successfully the other great questions of peace, prosperity, and individual rights that face the world."

Conclusion and Recommendations

We strongly urge you, Mr. Chairman, to increase substantially the current appropriation for international population assistance to enable continued growth of the struggling family planning programs in Africa, Asia and Latin America and to aid eastern Europe in establishing and promoting high quality, voluntary family planning programs. As a necessary corollary, we also submit that it is time to restore integrity to the U.S. program by reversing the Mexico City policy and renewing support for UNFPA. Congress would do well to heed the words of then-Representative George Bush: "We need to take the sensationalism out of this topic so that it can no longer be used by militants who have no real knowledge of the voluntary nature of the program."

STATEMENT OF
JOSEPH L. WERNTZ, VICE PRESIDENT
AMERICAN UNIVERSITY OF LES CAYES, HAITI

BEFORE

THE SUBCOMMITTEE ON FOREIGN OPERATIONS
HOUSE COMMITTEE ON APPROPRIATIONS

April 3, 1990

Mr. Chairman and Members of the subcommittee,

On behalf of the students of the American University of Les Cayes (AULC), the faculty, the administration, members of the AULC Founders League, and the Board of Trustees, we wish to express our gratitude for the opportunity to once again address this Subcommittee.

Since the AULC last addressed this Subcommittee, the AULC has emerged as the preferred University in Haiti to provide education opportunity for students. Student applications for admission have soared. The College of Health Sciences Building was successfully completed in October 1989 with grant funds from the Agency for International Development's Office of American Schools and Hospitals Abroad (ASHA).

The AULC received $1,800,000.00 in funding from ASHA in 1989. The funds were used to complete the Health Sciences Building, and for instructional development. The AULC has tremendous need for continued funding to equip laboratories, to expand the pool of visiting faculty, and to alleviate the space limitations placed upon the existing facilities by the varied demands for academic instruction and student needs. At the present time, no instution of higher education in Haiti has the ability to offer the people a comprehensive offering in academic programs and developed orientated training. Without additional funding from ASHA, the AULC cannot take full advantage of the opportunity to provide the kind of human resourses training critical to the needs of Haiti

As a non-profit, non-denominational, secular, 501(c)(3), private university, incorporated in the State of New Mexico, and permanently licensed in Haiti, the AULC has received and benefitted from the assistance offered through ASHA. ASHA is the only source of public funding from the United States to enable an institution like the AULC to develop an American type of higher education in a foreign country. This is most important, especially since private fund raising in the United States has suffered from Haiti political turmoil. Haiti now has an opportunity for a transition to democarcy.

Haiti is a country undergoing significant changes. Its people must have the education necessary to develop and maintain a democratic way of life. The Haitian people recognize the immense value of American education. Postsecondary education is the most valuable and beneficial foreign aid the United States can offer Haiti. For that reason, we urge the Committee to appropriate funding for ASHA to allow it to continue to help deserving recipients in whatever country they may be located.

The Commonwealth of Massachusetts
Massachusetts Centers of Excellence Corporation
Nine Park Street
Boston, Massachusetts 02108-4807

MICHAEL S. DUKAKIS
GOVERNOR
ALDEN S. RAINE
SECRETARY OF
ECONOMIC AFFAIRS

MEGAN JONES
DIRECTOR
(617) 727-7430
FAX (617) 523-4165

TESTIMONY
SUBMITTED TO THE SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS, COMMITTEE ON APPROPRIATIONS, UNITED STATES HOUSE OF REPRESENTATIVES

April 4, 1990

by

Gary A. Glenn
Deputy Director
Massachusetts Centers of Excellence

Mr. Chairman, thank you for the opportunity to submit this statement on behalf of the Hawaii, Puerto Rico and Massachusetts partnership for improvement of aquaculture information systems in developing countries.

On April 24, 1989, representatives of Hawaii, Puerto Rico and Massachusetts appeared before this Subcommittee to request support for a unique three-state/commonwealth approach to the improvement of aquaculture industries in Latin America and other areas needing more effective food production systems. We were subsequently pleased to note the following language in the conference report on USAID's FY 1990 appropriation, "The conferees encourage innovative approaches such as that advanced by the partnership of Puerto Rico, Massachusetts, and Hawaii in which Third World aquaculture development would enhance available supplies of protein as well as contribute to local economic development initiatives through private capital investment and job creation. As such, the conferees expect AID to allocate funds for this project to the organizations participating in this partnership, in the manner outlined in the testimony presented before the House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs."

I would like to briefly report to the Subcommittee on progress made in creating a proposal and program design for submission to USAID. Our main task has been to combine the expertise of the three partners in such a way as to maximize the probability that the project will be successful on its own terms and will also contribute substantially to improving the lives of people in developing countries. As our thinking has evolved, it has become more apparent that each of the partners should work primarily in areas of their greatest relative advantage. This has meant that Hawaii will work to increase its store of information on the scientific areas of particular importance to aquaculture, and on those areas of technology - such as instrumentation - appropriate to aquaculture development. Massachusetts will utilize its knowledge of expert systems and artificial intelligence to create new systems that will be usable by and useful to managers, farmers, and extension agents in the field. Puerto Rico will use parts of its rapidly growing aquaculture infrastructure to test the expert systems in a real world environment and to train people from the initial target countries in Latin America in how to operate the systems. Taken together, it is our hope and expectation that this approach will help practioners of the "art of aquaculture" to use the most modern tools available for the advancement and growth of their industry.

Mr. Chairman, the potential that aquaculture represents for export earnings for Third World countries was never more in evidence than at the International Seafood Show held in Boston two weeks ago. With more than 1,500 exhibitors, this was the largest seafood show in U.S. history. A total of 26 foreign countries were represented, most featuring fish products from new aquaculture industries. The world market for seafood products grew substantially last year and projections are for even more rapid growth over the next three years. It is clear that this is the right time for Third World countries to develop their aquaculture industries and it is also clear that to be successful those industries must be efficient, cost-effective, and modern. That is exactly what the Puerto Rico-Hawaii-Massachusetts project is designed to accomplish.

Shortly the completed proposal will be submitted to USAID to provide funding for this project at a level of $5.3 million for 30 months. On behalf of the partnership, I hope this Subcommittee will reiterate its support for this project. Thank you.

Statement by the Honorable Edward F. Feighan (D-OH)
on Refugee Assistance to Israel before the
House Appropriations Subcommittee on Foreign Operations

April 4, 1990

Mr. Chairman, I am pleased to have the opportunity to testify before your Subcommittee to urge increased funding to help Israel transport, resettle and absorb refugees from the Soviet Union, Eastern Europe, Africa and the Middle East.

Congress initiated this assistance program in 1972 during the last great wave of Soviet Jewish immigration into Israel. Since then we have appropriated a total of $439.5 million in resettlement grants. The State Department's Bureau for Refugee Programs administers the program. The United Israel Appeal (a registered American private voluntary organization) is responsible for disbursing the funds through its operating agent, the Jewish Agency for Israel. It should be noted that long established United Israel Appeal policy requires that this assistance, as well as all of its privately raised philanthropic funds, be spent only on projects within the pre-1967 borders of Israel.

One year ago, when I last testified on behalf of this program, there were only the first intimations of the dramatic changes that lay ahead. A steady, if unspectacular increase in the number of Soviet Jewish arrivals in Israel was noted. At that time, the overwhelming majority of Soviet Jews leaving the Soviet Union was still opting to come to the U.S.

This is no longer true. Due to the changes in U.S. refugee policy instituted in October 1989, a limit has been placed on the number of Soviet Jews who can come here. The result has been a vast increase in the number of Soviet Jews going to Israel.

Due to the increases in the last three months of the year, 1989 saw the highest annual number of Soviet Jews to come to Israel in a decade. And the rate increases every month. Already the total arrivals for the first three months of 1990 exceed the number for all of 1989. One hundred thousand Soviet Jews are expected to arrive in Israel this year. This number is considered to be the highest annual number of refugees to come to Israel since 1951.

The United Israel Appeal through its operating agent, the Jewish Agency, has taken on much of the burden for this unprecedented influx. It pays transportation costs of approximately $1500 per refugee. And it shares with the Government of Israel, on an equal basis, the first year's cost of absorbing and maintaining each new arrival. As a result, should the anticipated 100,000 Soviet Jews arrive this year, more than $600 million will be spent by the Jewish Agency and UIA just to transport, house and clothe these refugees.

For years Congress has taken the lead in urging the Soviet Union to allow freedom of immigration. As I have noted, in 1989 the U.S. took the additional step of limiting the number of Soviet Jews coming here. At the same time, there has been a significant increase in anti-semitism in the Soviet Union.

A recent survey of tolerance in the Soviet Union, commissioned by the American Jewish Committee, reports "disturbingly high levels of anti-Jewish feeling." Anti-semitic incidents have become commonplace. This has all contributed to the increased feeling of insecurity on the part of Soviet Jews. Partly as a result, it is now conservatively estimated that as many as 500,000 of the U.S.S.R.'s 1.8 million Jews will seek to emigrate during the next five years.

While we in Congress can be expected to provide only a small share of the total resources necessary, nevertheless we can make a difference. Grant funds have over the years been critically important to the success of Israel's immigration and absorption programs. Beyond financial assistance, our funding sends a clear and demonstrable signal to the entire world that the U.S. Congress is committed to the principle of free emigration and the safe arrival of Soviet Jews in Israel.

This program covers refugees from other areas of the world as well. Romanian, Iranian and Syrian Jews have been and continue to be assisted by this grant. In the mid-1980s, Ethiopian Jews, the beneficiaries of "Operation Moses," were first assisted in repatriating and resettling in Israel.

In 1985 and 1986, they arrived by the thousands -- many in rags and some with sand still clinging to their feet. Israeli hospitals treated the new immigrants suffering from malnutrition and diseases so uncommon that doctors recognized them only from slides in medical school. More than 15,000 Ethiopian Jews were airlifted to Israel before the operation became public and was halted. Now, however, with the resumption of diplomatic relations between Israel and Ethiopia, there has been an easing of emigration restrictions.

Families separated for years by an almost unimaginable gulf of distance, pain, guilt and hardship are being reunited. In the last six months, nearly 1000 of the estimated 9000 Jews remaining in Ethiopia have been quietly transported to Israel. In March alone, 458 Ethiopian Jews arrived in Israel.

The task of absorbing the Ethiopians is very difficult and expensive. Most lack rudimentary education and technical skills. They are totally unfamiliar with modern society and must be slowly acclimated. Over 50% are under 20 years of age, many having arrived without parents. They must be enrolled in special youth education institutions.

It is also important to note that all refugee resettlement programs in Israel, unlike most other refugee programs, are designed to help immigrants terminate their refugee status and become productive members of society. Israel provides a full range of services for actually absorbing the immigrants into the mainstream of society, including language training, medical and social services, in addition to food and shelter.

For many years, we in Congress have urged change in the Soviet Union and the Eastern bloc. One sign of that change we said, would be freedom of emigration. Many of the changes we have demanded have now occurred. Soviet Jews can leave. And they are leaving for Israel in record numbers.

But success has bred peril as well. Within the Soviet Union, these changes have caused a resurfacing of age-old prejudices and with them, threats to the safety of the Jewish community. From outside, come dire terrorist warnings against those who would aid and abet Jewish emigration to Israel. Here in the U.S., we welcome the break-up of the old order. But in so doing, we must not ignore our responsibility to help Soviet Jews to complete their journey.

Since 1948, Israel has opened its doors to more than 1.8 million refugees seeking sanctuary in the Jewish state. Despite the economic burdens of a war-time economy, these immigrants were received and resettled. The tremendous task of absorbing these immigrants has been made possible only by a partnership of Israel, the Jewish community throughout the free world, and the assistance of the U.S. Congress and successive Administrations. Our partners are now dramatically increasing their contributions. We can do no less.

Soviet Jewish Immigration in Israel

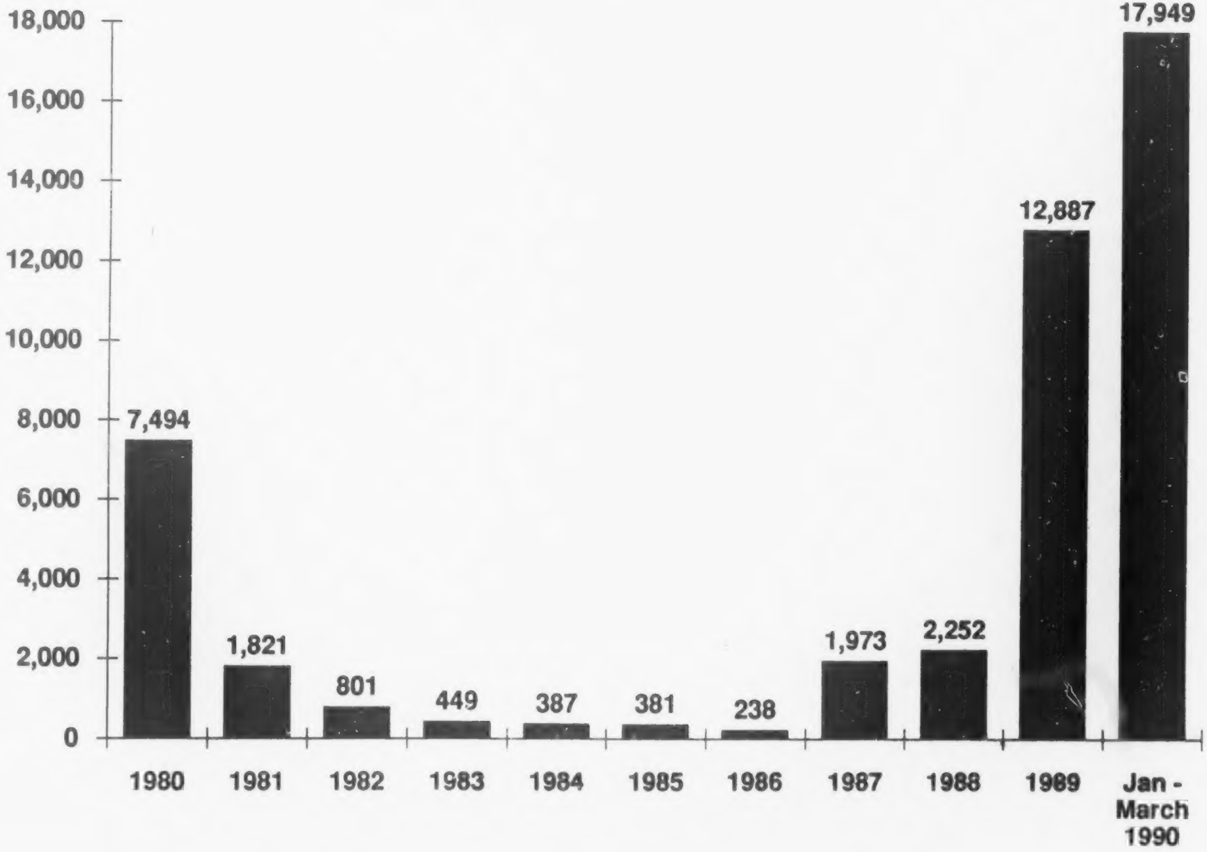
Arrivals for March 1990 7,380

Arrivals from Soviet Union in all of 1989	12,915
Arrivals in first three months of 1990	17,949

14 Month trend (January 1989-February 1990)

Jan.	244
Feb.	336
Mar.	471
Apr.	544
May	601
Jun.	622
Jul.	801
Aug.	938
Sep.	1,231
Oct.	1,516
Nov.	1,936
Dec.	3,631
Jan.	4,833
Feb.	5,736
Mar.	7,380

Soviet Immigration to Israel
1980 - 1990



1

Statement on the FY1991 Appropriations Request
The Honorable Donald M. Payne
April 4, 1990

Mr. Chairman, I would like to thank you for the opportunity to testify on proposed legislative language that I consider vital to millions of lives in Africa and the Caribbean Islands.

Offered by the Congressional Black Caucus's Quality of life Budget, this request calls for a modest increase in funding for Africa and the Caribbean. It is a request that was unanimously accepted as an amendment to the Foreign Assistance Act of 1991, and its inclusion within this appropriations bill would be a tribute to our colleague, Mickey Leland, who died in pursuit of his conviction to end the terrible scourge of hunger and famine in those regions.

I refer to this as a modest increase because in comparison to the other regional accounts on a per capita basis, that is exactly what it is. The request would only raise the level of development assistance from the $713 million provided for in H.R.2655, the 1990 Foreign Assistance bill, to $1 billion for FY1991. Included within this amount would be $15 million for Namibia, Africa's newest democracy, and $85 million for SADCC, Africa's future economic power.

The need for more assistance to Africa and the Caribbean is obvious, and its justification meets every criterion for a post cold war world. The proposal would provide funds for emerging democracies, assist countries that have the potential to sustain long-term economic growth and work to address the all-important human aspects of any development program: education, health care and human resource development. Although the amount inadequately meets all needs of Africa and the Caribbean, it is essentially money well spent. In a time of budgetary constraints, spending money wisely should, of course, be our top concern.

America has showed little commitment toward Africa and the Caribbean by consistently allotting the smallest portion of its foreign aid over the past decade. In 1984, Africa received $667 million in assistance, while this year only about $565 million will be allocated for the entire continent. Now, however, we have an opportunity to reinvigorate our Africa and Caribbean programs, and $1 billion is not a lot to ask.

A new era of international relations requires that the U.S. reconsider its distribution of foreign aid on a more equitable basis. If the House can commit $720 million dollars for Panama and Nicaragua, and extra money for Eastern Europe, we certainly have the capacity to increase aid to areas with equally close historic ties. Since thirty-five million Americans are of African descent, Africa and the Caribbean should be part of this equation. Thank you.

TESTIMONY
of REP. BYRON L. DORGAN
on FY-1991 FOREIGN ASSISTANCE BUDGET
before the COMMITTEE ON APPROPRIATIONS, FOREIGN OPERATIONS SUBCOMMITTEE
APRIL 4, 1990

Mr. Chairman, I appreciate the opportunity to discuss with you how our country can meet its responsibilities in a world being swept by dramatic political change. Your committee's work on the FY-1991 foreign aid budget promises to make a vital contribution to that effort, as it always has.

The fear of the Soviet Union's subversion of the third world which has dominated our foreign policy and underpinned many of our assistance policies is rapidly receding.

However, I get no sense of the magnitude of these changes from reading the Administration's foreign aid budget proposals. The world changes, the challenges we face change, but the Bush administration's budget proposals remain largely the same as those proferred in the 1980s.

And in staying on course, the Administration would have us stay on the same course which provides too much military aid and related economic support fund assistance to middle income countries, and not enough, not nearly enough, for the basic human needs of people in truly needy countries.

This increases the importance of your committee providing the leadership and vision which the administration's proposals lack.

MISMATCH OF NEEDS AND RESOURCES

Let me make some observations on the broad values which the allocations in the proposed budget seem to imply.

First, I note that the administration proposes a 4.6% increase to $ 3.3 billion for the Economic Support Fund to countries of special political and security interest to the United States. How is it that poor countries are virtually never of special political and security interest to us? Only 1.6% of those Economic Support Funds would go to the poorest 42 countries with an average per capita income of $200 per year. How much would go to sub-Sahara Africa? The princely sum of $56.1 million or 1.7% of the total ESF pot.

Military aid is proposed at $5.1 billion (up 3.9% from last year). Since FY-1981 military aid has increased 43% while food aid has declined 27%. If the peaceful revolution in Eastern Europe and the democratic advances of the past year could not move the Administration to even slightly reduce its military aid, and to start to reverse priorities, what will?

Turning to bilateral development assistance, I would first note that the Administration is requesting about 1% less or $1.79 billion. But even within the development assistance account, which traditionally provides the bulk of assistance for poorer countries, the least developed countries are not favored as they would receive only 26% of the $ 1.79 billion total.

Last year OECD reported that only 19% of all American economic aid went to the least developed countries. That placed us next to last among the industrialized world's donors. This proposed budget misses a clear opportunity to redress this disgraceful imbalance.

We have an aid budget which continues to discriminate against the poor.

A hoax is being perpetrated on those American taxpayers who think that their foreign aid dollars go to assist development in poor countries. Certainly those Americans who think that attacking poverty, feeding the hungry or saving the world's children is the main purpose of our aid policy are sadly mistaken.

FOOD AID: WISE INVESTMENTS NEEDED

Even though it is outside the purview of this committee I want to mention my concern about PL-480 food programs because they are intertwined with our overall foreign aid program, and should be used to advance development goals, although too often they do not.

First, I am distressed that funding for food aid is dropping.

Second, I am concerned that the PL-480 program has not been accomplishing what it should. Along with several of my colleagues, I am working to improve the authorization legislation so that our food aid goes primarily to reduce malnutrition and improve food security. For some time misplaced Administration priorities have resulted in Title I being used primarily in furtherance of political/military objectives- I am thinking especially of our misuse of Title I in El Salvador to further military objectives- rather than to advance the common sense goal of feeding the hungry and spurring agricultural development. This could be done if grants of food were provided to truly needy countries, the food sold and the proceeds used for development projects to increase food security.

This is part of the pattern in which military/security objectives are deemed more important than developmental and humanitarian goals. The changed international political environment removes the justification for these old priorities.

But since the Administration has not responded it is up to us in Congress to say "enough".

It's time for an American foreign aid program which has as its centerpiece assistance to low income countries, to support sustainable development. We need an aid policy that gives priority, not lip service, to the problems of primary health care and child survival, of hunger and malnutrition, of food production.

SAVINGS AND REALLOCATIONS

Let me take the liberty of suggesting a couple of specific places where this committee might begin to find funds to finance such a new emphasis. The Administration proposes to spend $1.1 billion for the NATO base rights countries of Greece ($345 million), Turkey ($599 million), and Portugal ($173 million). At a time when we should be revising our European defense strategy, we should begin to phase down spending for NATO base rights. Further, we ought to insist that European NATO partners collectively shoulder base rights support.

Second, I note the Administration's proposal to increase ESF support for El Salvador from $144 million, which I opposed, to $180 million which I consider outrageous. Coupled with military aid and Title I food loans, El Salvador is draining resources which its more needy neighbors such as Haiti and Honduras need.

CHILD SURVIVAL GOALS

As Chairman of the International Task Force on Hunger, I have heard it said that the idea of "saving the world's children" is unrealistic because we must first solve the debt problem and achieve sustainable economic growth. As important as these issues are, I disagree that they are prerequisites for attacking the related scourges of childhood disease and malnutrition. Even as we implement genuine debt relief, we must attack these other scourges.

Frequent illness, poor health care, lack of parental knowledge cause child malnutrition as surely as does a shortage of income and food. Diarrhoea, measles, respiratory diseases take away a child's appetite and lower food intake. Each illness drains away nutrients in diarrhoea and vomiting. Malnutrition and often death is the result.

We could change that without a budget increase this year. Much could be done by shifting priorities within the existing budget. Expanded immunization programs, provision of information to mothers on the health benefits of breast feeding and family planning, expansion of low cost oral rehydration therapy through primary health care systems could sharply reduce malnutrition and reduce deaths.

The record shows that if we do this we can achieve significant gains in health and nutrition even in the face of economic difficulty.

I could give dozens of statistical examples to support this position. Let me just note that several countries including Madagascar and Bolivia reduced their under five year old mortality rate by an average of 2% a year from 1980 to 1988 despite a fall in per capita GNP during the same period.

What should we do? First, We need to make sure that countries where the children are dying at high rates receive US assistance. The under five mortality rate should be a key criteria for allocating US aid. Seventeen of the eighteen countries with under five mortality rates of 200 per 1000 are in sub-Sahara Africa. We must start reallocating aid there.

We need to target more aid to primary health care, population and child survival programs.

Comparing AID's expenditures in FY-1989 with its proposals this year I find little to cheer in three critical functional areas of concern: Agriculture and Nutrition, down from $753 million to $ 724 million; Population, up from $ 243 million to $ 248 million (but down by $ 21 million from last year); and Health and Child Survival, down from $337 million to $ 328 million.

I call on the subcommittee to require AID to increase resources in each of these priority sectors.

Beyond that how can the Bush administration propose a 23% reduction for UNICEF? I am confident, Mr. Chairman, that this committee will send the Administration a message and increase, not decrease, the $65.4 million appropriated for UNICEF in FY-1990. This would give impetus to the effort to attain the goal of 80% child immunization by the end of this year.

UNICEF and WHO estimate that almost 2/3rds of the 14 million children who die each year are killed by preventable diseases. Think of the grief and loss of all those innocent lives. Most of these children could be saved if we put our priority in the 1990s into the development of basic health delivery systems and associated training and education. UNICEF estimates that this might cost 2 1/2 Billion dollars a year more by the end of this decade. Impossible? No!

If we and other wealthy nations made the committment and shared the burden it could be done.

AGRICULTURAL DEVELOPMENT

Helping the poorest and most vulnerable of the rural poor-small farmers, artisanal fisherman, nomadic pastoralists, and women- increase their food production and incomes, enhance their nutritional standards and upgrade their environments are goals worth pursuing.

That is why I have supported the International Fund for Agricultural Development (IFAD) and why I am distressed that the Administration is requesting only $ 6.25 million for IFAD in FY-1991. How will the Administration fulfill its pledge to provide $83 million to the third replenishment cycle which runs until June 1992. Last year the Administration proposed zero for IFAD and the Congress wisely appropriated $ 35 million. If the Administration's proposed levels for FY-1991 were to be accepted, over $ 40 million would have to be provided next year for us to meet our committments. Given the Administration's record this is quite unrealistic. I pay special tribute to you, Mr. Chairman, and to this subcommittee, for its past support of IFAD.

Meeting our committment to IFAD, in a timely manner, will allow the US to play its part in the extension of the important Special Program for Africa. The first phase is trying to bring small scale farmers to self sufficency and is promoting reforestration, soil conservation and small scale irrigation. The second phase envisages assisting rural, small scale enterprise development which would add to the meager incomes of subsistance farm families and provide options so that people are not forced to migrate to the already overcrowded slums of Africa's cities.

This is a program Congress must support.

AID AND TRADE AND INVESTMENT AND COMMERCIAL CREDIT

The burden of development must not be borne only by US foreign aid. Other nations such as Japan and West Germany must do more. We must also use trade and investment more creatively. For example, we could do much to foster development in the Caribbean by requiring Section 936 companies to reinvest more of the $15 billion in tax free retained earnings they now horde.

In allocating our limited aid resources we should consider the relationship of aid to trade, investment and the availability of commercial credit. We should insure that our aid is concentrated in poorer countries with little access to trade, investment and commercial credit. These are largely the countries of sub-Sahara Africa, and parts of South Asia.

SETTING GOALS FOR THE 1990S

In closing, I think we in Congress have an obligation to help frame a new foreign aid policy which has at its core the support of the values which Americans cherish. Helping poor countries overcome hunger and reduce poverty, improving primary health care and fighting the needless deaths of so many of the world's children, promoting respect for human rights-these are not new ideas- they are old humanitarian values.

But they are values which sadly have not been supported in the budget requests of the past decade. Fortunately, this subcommittee has always improved on those requests.

Late last year a cross section of the world's leading development planners, scientists and practitioners met in Bellagio, Italy to develop a strategy for "Overcoming Hunger in the 1990s". Their call for action, and the goals they recommended, constitute an important contribution to the debate on the new directions our aid policy should take in this decade.

In the coming weeks, my colleagues on the Hunger Committee and I, will be working to refine the goals for the nineties which we believe our country should pursue and to estimate the approximate magnitude of resources needed for their attainment.

We hope this will help put our foreign aid program on the right track. I welcome the continued cooperation of this subcommittee in that endeavor.

Council of Lebanese American Organizations

APRIL 2, 1990

TESTIMONY FOR THE SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS.

SUBMITTED BY: The Council of Lebanese American Organizations

Most American citizens

- * are reasonably confident that their elected representatives will balance human need and political need when making foreign appropriation decisions.
- * believe that The United States written and spoken policies shape and direct the actions taken in the name of its citizens.
- * are quite content to allow the workings of our government to rest solely in the hands of our elected and appointed officials.

The Council of Lebanese American Organizations (CLAO) is not made up of most American citizens. Through observation and harsh doses of reality CLAO has learned that we must assume a more active role in our governments actions...primarily because there is, at times, a gap between our words and our actions.

The US Administration and the State Department have a long standing written policy that supports the unity, democracy and sovereignty and territorial integrity of Lebanon. This is, however, an example of the split between word and action.

The United States was able to maintain is written/spoken policy on Lebanon in reasonable condition until President Amin Gemayel appointed an interim prime minister (Sept. 22, 1988) because the Parliament was unable to elect a successor. Although President Gemayel's actions were done according to the Lebanese constitutions requirements, his decision surfaced outcry from political opponents and they established an alternate Cabinet. Rather than basing its action on the mandates of the Lebanese constitution, US officials wanted to "keep all options open", and chose, for a time, not to recognize either claim to legitimacy.

OFFICE OF THE CHAIRMAN
Joseph J. Esseff • 875 Westlake Blvd., Suite 202 • Westlake Village, CA 91361 • (805) 495-8830 • FAX (805) 495-6265
OFFICE OF THE SECRETARY
Joseph L. Boohaker • Frank Nelson Bldg., Suite 801 • Birmingham, AL 35203 • (205) 328-7911 • FAX (205) 328-7913

The US Administrations decision not to follow the mandates of the Lebanese Constitution devalued Democracy and its workings not only in the United States and in Lebanon but throughout the world. We tried to walk on both paths at the same time to see which one suited us best. As the paths continued to separate, straddling became very awkward and the United States had to choose. "The Defender of Freedom and Democracy" chose a familiar and practical route....the Path of Least Resistance. Democracy lost.

What does this have to do with you or this Committee? As members of the Foreign Operations Committee you will make recommendations that could help legitimize the US's flawed decisions and policies about Lebanon or you could choose to take a neutral and responsible position while the leadership issues are sorted out in Lebanon and in the international arena. Since this may prove to be a long and arduous task and the needs of the Lebanese people are of a screaming magnitude, CLAO's recommendation to the Committee is to appropriate as much aid as possible to this struggling country.

We recommend that the US assistance be channelled through known, private organizations who can verify that the aid is actually received by the Lebanese people. Despite protests to the contrary, much of the assistance sent by United States profitted many black markets operating in that region.

The Council of Lebanese American Organizations is aware that the ongoing conflict in and around Lebanon is complex, confusing and even wearying to many. However, that fact only underscores the legitimate need of the people in this small country. Having the Middle East powers using your territory to fight their battles further victimizes an already exhausted and depleted population. Food, medical and educational assistance is more essential now that ever. It is the Council's recommendation that the Appropriations Subcommittee carefully review, evaluate and consequently, increase the aid package designated for Lebanon.

WITNESSES

Page
Abukari 523
Akram, Susan 235
Alameel, David 505
Apple, Dr. J. L 324
Beggiani, Chor-Bishop Seely 537
Blackwelder, Brent 421
Boohaker, J. L. 575
Bradley, Rev. Harold 296
Burkhalter, Holly 333
Bustamante, Hon. A. G 64, 136, 544
Byron, Rev. W. J 244
Coleman, Hon. R. D 64, 136
de la Garza, Hon. Kika 64, 136
Dine, Tom 20
Dorgan, Hon. B. L 570
Esseff, J. J 575
Farstrup, Alan 483
Feighan, Hon. E. F 563
Fornos, Werner 49
Freeman, Jane 402
French, David 515
Gejdenson, Hon. Sam 64, 136
Gephardt, Hon. R. A 64, 136
Gherty, J. E 146
Glenn, G. A 560
Hajj, Michael 505
Hall, Hon. T. P 97
Herness, Ev 146
Herter, Frederoc 67
Hoagland, Hon. Peter 64, 136
Jahshan, Khalil 4
Johnson, Douglas 154
Kuvin, Dr. Sanford 283
Lomis, D. C 384
Manatos, A. E 129
Nassif, Toufic 199
Ortiz, Hon. S. P 64, 136
Owens, Hon. Wayne 494
Payne, Hon. D. M 568
Pelosi, Hon. Nancy 291
Rahall, Tanya 44
Richardson, Hon. Bill 64, 136, 498
Robertson, Steve 314
Rossides, E. T 398

Page
Samba, Ebrahim 515
Smith, Hon. L. J 64, 136
Smith, R. S 501
Solarz, Hon. Stephen 74
Sollars, Frank 475
Spivy-Weber, Frances 138
Strausz-Hupe, Robert 107
Sullivan, Harry 314
Ullmann, Liv 1
Vanderslice, Lane 270
Wallace, Nancy 134
Washington, E. D 461
Wattleton, Faye 546
Weihe, Ted 216
Werntz, J. L 557
Wolpe, Hon. Howard 74
Youssouf, J. D 467